**IN THE UNITED STATES DISTRICT COURT**
**FOR THE EASTERN DISTRICT OF GILESEAD**

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| POCAH, INC.<br><br>Plaintiff,<br><br>v.<br><br>TIANA TECHNOLOGIES CORP.<br><br>Defendant, | Civ. No. 1:25-cv-GSR |

**ORDER GRANTING POCAH'S MOTION TO DISMISS TIANA'S ANTITRUST LAW COUNTERCLAIMS**

In this patent infringement and antitrust case, Pocah, the maker of the Pocah-Car, a popular electric vehicle, asserts a patent infringement claim against Tiana, a major technology company, arising from its distribution of replacement automobile parts.

Tiana, which alleges that it had purchased a fleet of Pocah-Cars as company cars and which seeks to compete in the repair market, asserted Sherman Act antitrust counterclaims against Pocah. Tiana alleges that Pocah, through its service and repair policies, has forced purchasers to pay supracompetitive prices to repair and service the Pocah-Car vehicles.

Before me is Pocah's motion to dismiss Tiana's antitrust law counterclaims. For the reasons stated below, Pocah's motion to dismiss is hereby GRANTED.

## I. BACKGROUND

### A. Procedural History

On January 6, 2025, Plaintiff Pocah Inc. ("Pocah") filed this patent infringement suit, alleging infringement of the '245 patent, which is directed to automobile headlights. In its answer,

Tiana asserted counterclaims under the Sherman Act. Tiana's antitrust counterclaims are based on the theory that Pocah has monopolized the aftermarket for Pocah-Car products and services, including for replacement headlight systems. The gravamen of Tiana's antitrust counterclaims is that Pocah has tied the repair market to the sale of the Pocah-Car. After rounds of motion practice, Tiana filed its Second Amended Answer and Counterclaims, which further amended the allegations of the antitrust counterclaims. On June 2, 2025, Pocah moved to dismiss Tiana's counterclaims.[1]

### B. Factual Background

Pocah is a designer and manufacturer of collectible toys. Pocah, which is a major force in the collectible toy market, is well known for its proprietary toys and figurines, including products sold in a "blind box" format. Pocah's in-house characters include the "Pocah-Pocah," a line of plush-toy monsters with large eyes, sly expressions, and eleven teeth. Pocah's characters are very popular with adults and children alike. Pocah distributes its collectible products, in part, through its website, in which the consumer can pay for and reserve products for pick-up.

In 2015, Pocah, going beyond the collectible toy market, released the "Pocah-Car," an electric vehicle whose design was based on its characters and collectibles. The Pocah-Car's popular features include electronic touchscreens in the vehicle, whose content includes photos, short films, and music featuring its characters. The Pocah-Car is priced only about ten percent above comparable electric vehicles ("EVs"). In addition, the Pocah-Car is available in a wide range of unusual, popular colors. As an option, Pocah also offers "blind box" color options, which have proven popular. From an engineering standpoint, the Pocah-Car is similar to average EVs.

[1] On the same day, Tiana moved for early summary judgment of noninfringement. I address Tiana's motion in a separate order.

The Pocah-Car has become one of the most popular automobiles in the world. As part of its automobile business model, Pocah has sought to create a Pocah "ecosystem," thereby capitalizing on the aftermarket of its automobile parts and services. Thus, in addition to the Pocah-Pocah EVs, Pocah designs and manufactures compatible parts for its EVs, and Pocah services the EVs across the country. When servicing Pocah vehicles, Pocah sometimes offers exclusive Pocah merchandise—either for sale or for free. Along corresponding lines, Pocah-Car's entertainment service options include movies, music, and sound effects from the Pocah characters.

Tiana, a major online e-commerce company, purchased a fleet of Pocah-Cars as company cars. Initially tired of paying the high prices Pocah charged for replacement parts, Tiana developed its own replacement parts and service capability for Pocah-Cars, hoping to save money on the upkeep of its fleet of company cars. Emboldened by this internal success, Tiana took its show on the road, opening up sales of its parts and services to Pocah-Car owners across the country. Tiana has also begun offering promotions in the Pocah-Car service aftermarket, offering exclusive discounts to other Tiana products and services to customers.

### 1. Pocah EV Servicing and Maintenance Business Plan

Consumers that drive gasoline-powered vehicles have multiple options for maintaining and repairing their vehicles. For instance, the consumers can repair the vehicles themselves, bring their vehicles to the dealership's service center, or take their vehicles to an independent repair shop. Additionally, consumers can choose parts made by their vehicle's manufacturer or by a third party. By contrast, Pocah-Car operators have limited options—in fact, operators had, at one time, essentially no choice but to schedule vehicle service with Pocah and to use parts authorized by Pocah. In its Second Amended Counterclaim, Tiana alleges that Pocah created and maintained its system because it has "market power" in the United States EV market, and that it leveraged its market power to monopolize and restrain markets for Pocah repair services and parts. Tiana

contends that Pocah's market power is based in part on the strength of its market power of its collectibles. Tiana also asserts that Pocah's EV warranties and policies—in part through its clickwrap warranty agreements—discourages owners from procuring replacement parts from third party sources. In addition, Tiana claims that Pocah designs its vehicles so that its vehicles' service and repairs require diagnostic data that can be accessed only by Pocah and its authorized dealers, and that Pocah limits access to its other diagnostic tools, vehicle data, and replacement parts.

Tiana contends that Pocah leverages its market power in the EV market to coerce consumers into purchasing Pocah repairs and Pocah-authorized parts and servicing Pocah-Cars at Pocah's authorized repair centers. As a result of Pocah's conduct, Tiana claims that Pocah has staved off competition, preventing automobile parts manufacturers from producing parts that are compatible with the Pocah-Car, and preventing market entry by other automobile service centers.

According to Tiana, these allegedly anticompetitive practices violate the Sherman Act.

**2. Relevant Markets**

Tiana's antitrust allegations are based on the existence of three markets: the market for EVs, the market for Pocah-Car repair services, and the market for Pocah-Compatible parts.

**(a) The Electric Vehicle Market**

The electric vehicle market consists of EVs that are sold to be driven on public streets and highways. Tiana alleges that gasoline-powered vehicles and EVs are distinct, as they involve different production facilities and manufacturing processes. For example, gasoline-powered vehicles involve the manufacturing and use of different batteries than EVs. And EVs are built with a different kind of frame than gasoline-powered vehicles.

In 2024, Pocah had 32 percent of the domestic EV market, with the Pocah-Car being the most popular EV model in the United States. Tiana asserts that the EV market includes sub-markets, in which Pocah had higher market share. For instance, Tiana contends that Pocah's

market share in the entry level EV market is about 50 percent. Tiana also contends that Pocah's market share in the EV "collectible" category is well over 90 percent.

**(b) The Pocah-Car Repair Services Market**

The Pocah-Car repair services market consists of services to repair and maintain the Pocah-Cars. Tiana asserts that there are no "viable substitutes" for Pocah-Car repair services. In its Counterclaims, Tiana contends that consumers are locked into Pocah's repair and maintenance services for the Pocah-Cars, and that consumers cannot forecast costs to repair their EVs before purchasing an EV. Tiana alleges that Pocah has failed to inform consumers about the costs and timing of repairs, so consumers cannot make informed pricing decisions. Tiana also alleges that due to Pocah's service and repair policies, there is insubstantial competition in the Pocah repair services aftermarket.

**(c) Pocah-Compatible Parts Market**

The Pocah-Compatible parts market consists of vehicle parts used to repair and maintain the Pocah-Cars. Tiana alleges that consumers, as in the gasoline-powered vehicle market, expect a reasonable number of independent repair shops and the availability of third-party repair parts for their EVs. Tiana alleges that due to Pocah's policies, many Pocah-Car compatible parts are not interchangeable with other manufacturers' automobiles. Tiana further alleges that as a result, the Pocah-compatible parts aftermarket is its own distinct product market.

## II. LEGAL STANDARD

On a motion to dismiss counterclaims under Federal Rule of Civil Procedure 12(b)(6), courts apply the same standard of review that applies to a motion to dismiss a complaint. *See, e.g., Bayles v. Marsh Realty & Assocs., LLC*, No. 20-cv-3322-DKC, 2021 WL 1198144, at *2 (D. Md. Mar. 30, 2021); *First Data Merch. Servs. Corp. v. SecurityMetrics, Inc*., No. 12-cv-2568-RDB, 2013 WL 6234598, at *3 (D. Md. Nov. 13, 2013). "A pleading that states a claim for relief must

contain . . . a short and plain statement of the claim showing the pleader is entitled to relief." Fed. R. Civ. P. 8(a)(2). When a party asserts that, even assuming the truth of the alleged facts, the pleading fails "to state a claim upon which relief can be granted," that party may move to dismiss the pleading. Fed. R. Civ. P. 12(b)(6).

To withstand a motion to dismiss, the pleading's "[f]actual allegations must be enough to raise a right to relief above the speculative level," *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007), and must contain sufficient factual allegations to state a facially plausible claim for relief, *id.* at 570. "A claim has facial plausibility when the [non-movant] pleads factual content that allows the court to draw the reasonable inference that the [movant] is liable for the misconduct alleged." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). As noted above, when considering such a motion, I "must accept as true all of the factual allegations contained in the [pleading] and draw all reasonable inferences in favor of the [non-movant]." *King v. Rubenstein*, 825 F.3d 206, 212 (4th Cir. 2016).

## III. DISCUSSION

In its Counterclaims, Tiana alleges that Pocah monopolized, or attempted to monopolize, the markets for Pocah-Car repair services and Pocah-Compatible parts, in violation of Section 2 of the Sherman Act. Dkt. 25 at ¶¶ 48–53 (citing 15 U.S.C. § 2). In the Counterclaims, Tiana further alleges that Pocah's tying arrangement violates Section 1 of the Sherman Act. *Id.* ¶¶ 54–65. I address each of these allegations in turn.

### A. Tiana's claim under Section 2 fails because Tiana has failed to allege a relevant market.

"Proof of a relevant market is the threshold for a Sherman Act" Section 2 claim. *Consul Ltd. v. Transco Energy Co*., 805 F.2d 490, 493 (4th Cir. 1986). *See United States v. Apple*, No. 24-cv-4055-JXN-LDW, 2025 WL 1829127, at *6 (D.N.J. June 30, 2025) (explaining that under

Section 2, "courts must start by defining the relevant market" in order to "measure" the "party's "ability to lessen or destroy competition"). "[T]he relevant market for antitrust purposes can be an aftermarket—where demand for a good is entirely dependent on the prior purchase of a durable good in a foremarket." *Epic Games, Inc. v. Apple, Inc.*, 67 F.4th 946, 976 (9th Cir. 2023).

**1. Tiana has properly alleged an EV submarket.**

First, the parties dispute whether there is a market, or at least a submarket, for EVs.

To define the boundaries of a market, "courts must determine which products have a reasonable interchangeability of use or sufficient cross-elasticity of demand with each other." *Epic Games*, 67 F.4th at 975 (internal quotation marks and citations omitted). "Often, this inquiry involves empirical evidence in the form of a 'SSNIP' analysis." *Id.* "That analysis . . . uses past consumer-demand data and/or consumer-survey responses to determine whether a hypothetical monopolist could profitably impose a Small, Significant, Non-transitory Increase in Price above a competitive level." *Id*. (emphasis omitted).

Within a general product market, "well-defined submarkets may exist which, in themselves, constitute product markets for antitrust purposes." *Brown Shoe Co. v. United States*, 370 U.S. 294, 325 (1962)). Courts can identify "submarkets" based on their "practical indicia," such as "industry or public recognition of the submarket as a separate economic entity, the product's peculiar characteristics and uses, unique production facilities, distinct customers, distinct prices, sensitivity to price changes, and specialized vendors." *Omni Outdoor Advertising v. Columbia Outdoor Advert.,* 891 F.2d 1127, 1140 (quoting *Brown Shoe*, 370 U.S. at 325).

Whether or not EVs constitute their own market, I am persuaded that Tiana has identified at least a submarket for EVs. A number of the practical indicia support that conclusion: For example, Tiana alleges that consumers and analysts recognize EVs as a separate product market and distinct submarket. For example, Tiana alleges that at least one major automobile manufacturer

was reorganizing its company to separate its gasoline-powered vehicles and EV units into separate businesses.

Tiana also contends that EVs have distinct characteristics and uses. EVs travel shorter distances and require frequent charging compared to gasoline-powered vehicles, which can typically travel farther and require less refueling. Indeed, EV owners typically commute substantially shorter distances than gasoline-powered vehicle owners. In addition, EVs involve a separate infrastructure for recharging than for refueling. Tiana also contends that EVs require unique production facilities, as gasoline-powered vehicles use different batteries than EVs. Tiana further contends that EVs and gasoline-powered vehicles are each manufactured using a different kind of frame or chassis, so the production facilities are not easily converted.

Tiana further asserts that the EV market has distinct customers. For example, Tiana alleges that consumers do not view EVs and gasoline-powered vehicles as "interchangeable" products and allege the majority of EV owners will only buy another EV. Tiana also alleges that EVs are used by consumers who have a reduced need to drive long distances. Tiana alleges that EVs have distinct prices, as EVs are priced approximately $12,000 or more than comparable gasoline-powered vehicles.

Tiana does not contend that EVs are insensitive to price changes. Although Tiana alleges that Pocah has been able to increase sales despite price increases, it does not allege as much for the EV market as a whole.

Thus, on balance, I find that the "practical indicia" indicate there is a submarket for EVs.

Tiana also asserts that within the EV (sub)market, there is a distinct EV submarket for entry level EVs. Tiana contends that within the EV market, consumers further differentiate between entry-level EVs, because the entry-level EVs (1) are smaller, (2) more environmentally friendly

and (3) attract younger, less affluent consumers. While this is a somewhat close call, I am not persuaded that Tiana has identified a cognizable submarket here.

Tiana further contends that within the EV (sub)market, there is a distinct EV submarket based on collectibles. Tiana contends that as part of the "commercial reality," Pocah's characters impart "peculiar characteristics" and attract "distinct customers." *See Apple*, 2025 WL 1829127, at *6-8 (finding the "performance smartphone constitutes a 'distinct submarket[] for antitrust purposes"). Pocah responds that Tiana's proposed market definition is nonsensical. From a mechanical and engineering standpoint, Pocah's EVs are comparable to other similar EV models. With respect to the features based on collectibles, Pocah argues that it is common for businesses or consumers to customize their vehicles based on toys, characters, and the like. Thus, on the whole, I reject the argument there is a distinct EV submarket based on collectibles.

**2. Tiana has not plausibly alleged cognizable single-brand aftermarkets.**

Pocah contends that even if there is the above market for EVs, there are no aftermarkets for Pocah-Car repair services and Pocah-Compatible parts. Likewise, Pocah argues that the collectible promotions offered with the EV repairs are not cognizable aftermarkets.

I am unaware of a Fourth Circuit test for single-brand aftermarkets, so as persuasive authority, I look to the Ninth Circuit. "[T]o establish a single-brand aftermarket, a plaintiff must show: (1) the challenged aftermarket restrictions are 'not generally known' when consumers make their foremarket purchase; (2) 'significant' information costs prevent accurate life-cycle pricing; (3) 'significant' monetary or non-monetary switching costs exist; **and** (4) general market-definition principles regarding cross-elasticity of demand do not undermine the proposed single-brand market." *Epic Games,* 67 F.4th at 977.

The first requirement—that the restrictions in the aftermarket are not generally known—is a "crucial" one. *Id*. (quoting *Eastman Kodak Co. v. Image Tech. Servs., Inc*., 504 U.S. 451, 477

(1992)). This unawareness requirement places the burden on the moving party to "'rebut the economic presumption that . . . consumers make a knowing choice to restrict their aftermarket options' when they make a foremarket purchase." *Id.*

Here, Tiana alleges that Pocah did not make the restrictions "generally known," because its disclosures were allegedly "buried" in the "online" and "other agreements," such as in "click-wrap agreements." In particular, Tiana alleges that Pocah misled consumers about the amount of service and maintenance that the Pocah-Car is designed to require, how long the maintenance should take, and how much the maintenance would cost. For instance, Tiana contends that Pocah has provided little data about the expected battery life, which would a major repair cost.

While this is a close question, I am not persuaded that Tiana has met this prong.

Second, I am also not persuaded that Tiana has met the second requirement for an aftermarket, that "'significant' information costs prevent accurate life-cycle pricing." *See id.* Tiana alleges that it is unreasonably difficult for consumers to accurately estimate the cost of repairs and maintenance, including due to the opaqueness regarding the life of Pocah-Car batteries and other components. While the life span of EV batteries is not entirely clear, information about Pocah-Car parts and services is publicly available.

Tiana argues that Pocah has further concealed material information regarding its service and maintenance through its promotions relating to its EV servicing. For instance, Pocah has offered exclusive merchandise, such as custom floormats, in connection with the vehicle services. Tiana argues that such business tactics impair consumers from accurately determining "life cycle pricing." While Tiana has identified promotions relating to automobile features—such as custom floormats—such promotions do not appear to be material to the mechanical operation of the EVs.

Rather, these promotions appear to be based on customization and aesthetics. As described in the record, they are not an actual restriction on the use of the EV.

Thus, Tiana has not met this prong as well.

Third, Tiana has failed to establish that significant switching costs exist. A plaintiff must show that costs prohibit consumers from switching between foremarket goods. *See Eastman Kodak Co.,* 504 U.S. at 476-67; *Epic Games*, 67 F.4th at 979-80. Here, Tiana alleges that an EV itself costs much more than repairing or maintaining and EV; but Tiana does not explain why consumers cannot switch between EVs in the foremarket. Tiana posits that consumers are locked in due to their desire to purchase exclusive Pocah-Pocah character merchandise. Because Tiana has failed to meet these three requirements, Tiana has not plausibly alleged that the Pocah-Car services and Pocah-Compatible parts constitute their own aftermarkets.

Because Tiana has failed at the threshold step of defining a relevant market, its claims under Section 2 of the Sherman Act fail. *See Coronavirus Rep. v. Apple, Inc.*, 85 F.4th 948, 2023 WL 7268325, at *5 (9th Cir. 2023) ("Failing to define a relevant market alone is fatal to an antitrust claim.").[2]

### B. Tiana's Section 1 claim also fails because Tiana has failed to allege a relevant market.

As with its Section 2 claim, because Tiana has failed to define a relevant market, Tiana's Section 1 claim must also be dismissed.

"A tying arrangement exists when a seller conditions the sale of one product or service (the tying product or service) on the buyer's purchase of another product or service (the tied product or service)." *Cnty. of Tuolumne v. Sonora Cmty. Hosp*., 236 F.3d 1148, 1157 (9th Cir. 2001) (citing

[2] In the Counterclaims, Tiana asserts that the United States is the relevant geographic market. For the purposes of the motion, Pocah did not dispute the geographic market.

*N. Pac. Ry. v. United States*, 356 U.S. 1, 5-6 (1958)). Tiana points to multiple tying arrangements: (1) between EVs (the tying product) and Pocah-Car repair services and Pocah-Compatible parts (the tied service and product); (2), between Pocah-Compatible parts (tying) and Pocah-Car repair services (tied); (3), between Pocah-Car repair services (tying) and Pocah-Compatible parts (tied), and (4) between Pocah-Car (tying) and Pocah exclusive merchandise (tied). Tiana asserts these three arrangements constitute per se violations of Section 1 of the Sherman Act. In the alternative, Tiana asserts that these tying arrangements violate Section 1 under the rule of reason.

"For a tying claim to suffer per se condemnation, a plaintiff must prove: (1) that the defendant tied together the sale of two distinct products or services; (2) that the defendant possesses enough economic power in the tying product market to coerce its customers into purchasing the tied product; and (3) that the tying arrangement affects a 'not insubstantial volume of commerce' in the tied product market." *Rick-Mik Enterprises*, 532 F.3d at 971 (quoting *Cascade Health Solutions v. PeaceHealth*, 515 F.3d 883, 913 (9th Cir. 2008)). At bottom, a plaintiff can only establish a per se violation if they establish a market exists for both the tied and tying product. *See id*. 971-73. The same is true under the rule of reason. *See Sidibe v. Sutter Health*, 4 F. Supp. 3d 1160, 1177-78 (N.D. Cal. 2013); see *also Packaging Sys., Inc. v. PRC-Desoto Int'l, In*c., 268 F. Supp. 3d 1071, 1083 (C.D. Cal. 2017) ("An antitrust complaint must define the relevant market for both the tying product and the tied product.") (collecting cases).

As discussed above, I find that Tiana fails to establish aftermarkets for Pocah-Compatible parts or Pocah-Car repair services. Further, all of Tiana's tying claims are predicated on the existence of these markets. Thus, whether analyzed under a per se or reasonableness standard, Tiana's tying claims cannot proceed. *See Rick-Mik Enterprises*, 532 F.3d at 971; *Sidibe*, 4 F. Supp. 3d at 1177.

In addition, Tiana has not alleged "concerted conduct," which is required "for a Section 1 claim." *Gamboa v. Apple Inc.*, No. 24-cv-1270-EKL, 2025 WL 660190, at *5 (N.D. Cal. Feb. 28, 2025).

In sum, because Tiana fails to establish its alleged aftermarkets, I find that Tiana has not plausibly alleged a cause of action for monopolization, attempted monopolization, or unlawful tying under the Sherman Act.

## IV. CONCLUSION

Accordingly, for all these reasons, the Court GRANTS Pocah's motion to dismiss Tiana's antitrust claims. As Tiana has already amended its counterclaims twice, the Court finds that further amendment would be futile.

IT IS SO ORDERED.

Dated: September 9, 2025

*/s/ Erika D. Margaret*
THE HONORABLE ERIKA D. MARGARET
UNITED STATES DISTRICT JUDGE

**IN THE UNITED STATES DISTRICT COURT**
**FOR THE EASTERN DISTRICT OF GILESEAD**

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| POCAH, INC.<br><br>Plaintiff,<br><br>v.<br><br>TIANA TECHNOLOGIES CORP.<br><br>Defendant, | Civ. No. 1:25-cv-GSR |

**ORDER GRANTING TIANA'S MOTION FOR SUMMARY JUDGMENT OF NONINFRINGEMENT**

## I. BACKGROUND

In this patent infringement and antitrust case, Pocah alleges that Tiana infringes the '245 patent based on Pocah's headlight technology, which Tiana employs while providing service for consumers' Pocah-Cars. In the antitrust counterclaims, Tiana contends that Pocah has illegally monopolized, attempted to monopolize, and tied services and products with the sale of its Pocah-Car.

I previously detailed the factual background and procedural history in my order dismissing Tiana's Sherman Act counterclaims, and I incorporate my discussion here rather than repeat it. Dkt. 32.

## II. LEGAL STANDARD

### A. Summary Judgment

Summary judgment is proper where no genuine dispute of material fact exists, and the moving party demonstrates it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 323–25 (1986). The party seeking summary judgment "bears the initial responsibility of informing the district court of the basis for its motion, and

identifying those portions of [the record] which it believes demonstrate the absence of a genuine issue of material fact." *Id.* Once the moving party has met its burden, the non-moving party must then "come forward with specific facts showing that there is a genuine issue for trial." *Matsushita Elec. Indus. Co. Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986).

"[A]t the summary judgment stage the [court's] function is not [itself] to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial." *Id*. at 249. In determining whether there is a genuine issue for trial, "evidence of the non-movant is to be believed, and all justifiable inferences are to be drawn in [non-movant's] favor." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). Still, "permissible inferences must still be within the range of reasonable probability, . . . and it is the duty of the court to withdraw the case from the [factfinder] when the necessary inference is so tenuous that it rests merely upon speculation and conjecture." *Lovelace v. Sherwin-Williams Co.*, 681 F.2d 230, 241 (4th Cir. 1982). Thus, judgment as a matter of law is warranted where "the verdict in favor of the non-moving party would necessarily be based on speculation and conjecture." *Myrick v. Prime Ins. Syndicate, Inc.*, 395 F.3d 485, 489 (4th Cir. 2005). By contrast, when "the evidence as a whole is susceptible of more than one reasonable inference, a [triable] issue is created," and judgment as a matter of law should be denied. *Id*. at 489-90.

**B. Claim Construction**

"It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.'" *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (*en banc*) (quoting *Innova/Pure Water Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1115 (Fed. Cir. 2004)). To determine the meaning of the claims, courts start by considering the intrinsic evidence. *See Phillips*, 415 F.3d at 1313; *see also C.R. Bard, Inc. v. U.S. Surgical Corp.*, 388 F.3d 858, 861 (Fed. Cir. 2004); *Bell Atl. Network Servs., Inc. v. Covad*

*Commc'ns Group, Inc.*, 262 F.3d 1258, 1267 (Fed. Cir. 2001). The intrinsic evidence includes the claims themselves, the specification, and the prosecution history. *See Phillips*, 415 F.3d at 1314; *C.R. Bard*, 388 F.3d at 861. Courts give claim terms their ordinary and accustomed meaning as understood by one of ordinary skill in the art at the time of the invention in the context of the entire patent. *Phillips*, 415 F.3d at 1312–13; *accord Alloc, Inc. v. Int'l Trade Comm'n*, 342 F.3d 1361, 1368 (Fed. Cir. 2003).

"[C]laims 'must be read in view of the specification, of which they are a part.'" *Phillips*, 415 F.3d at 1315 (quoting *Markman*, *v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996)). "[T]he specification 'is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.'" *Phillips*, 415 F.3d at 1315 (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)); *accord Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1325 (Fed. Cir. 2002). This is true because a patentee may define his own terms, give a claim term a different meaning than the term would otherwise possess, or disclaim or disavow the claim scope. *Phillips*, 415 F.3d at 1316. In these situations, the inventor's lexicography governs. *Id.* The specification may also resolve the meaning of ambiguous claim terms "where the ordinary and accustomed meaning of the words used in the claims lack sufficient clarity to permit the scope of the claim to be ascertained from the words alone." *Teleflex*, 299 F.3d at 1325. But, "[a]lthough the specification may aid the court in interpreting the meaning of disputed claim language, particular embodiments and examples appearing in the specification will not generally be read into the claims." *Comark Commc'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1187 (Fed. Cir. 1998) (quoting *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1571 (Fed. Cir. 1988)); *accord Phillips*, 415 F.3d at 1323.

## III. DISCUSSION

Tiana's motion for summary judgment boils down to two questions: How should I construe the terms (1) "vehicle headlight control device" and (2) "gaze area"? The parties' briefing makes clear that the question of infringement turns on how I construe these terms, and the parties have agreed that I may enter judgment of noninfringement (or not) based on the claim construction.

Both parties agree that the system described in the '245 patent involves, among other things, a camera and image processing unit attached to the front of a car. The system measures the incoming light and determines whether the glare coming off an object ahead of the car is high enough that the headlights should be dimmed or altered. The system achieves this by estimating a "gaze area," measuring the light in that area, and then dimming the lights if the measured glare is too high.

According to Tiana, the accused product—by contrast—measures *all* of the light in the hemisphere in front of the vehicle, and provides a warning to the driver to turn off the high beams (if they are on). Thus, in Tiana's view, the accused product fails to infringe twice over: Not only does the accused product not estimate a gaze area, but also the accused product is not a "vehicle headlight control device," as the driver must still control the headlights.

Thus, in short, if I construe both terms in the way Tiana proposes, then the parties all but agree that summary judgment of noninfringement is warranted. But if I construe either term in the way Pocah proposes, then I should deny Tiana's motion.

### A. "vehicle headlight control device"

The parties' first claim construction dispute is not about the meaning of "vehicle headlight control device." The parties agree that I should give the term its plain and ordinary meaning.

What the parties dispute is whether the term "vehicle headlight control device" is limiting. "Limiting" is patent-speak for "is an element of the claim." In patent law, each substantive element

in a claim is known as a "limitation." *See* Manual of Patent Examining Procedure § 2103 (9th ed., Rev. 07.2022) (2023) ("For processes, the claim limitations will define steps or acts to be performed. For products, the claim limitations will define discrete physical structures or materials."). To prove that a process or product infringes a patent's claims, the patent owner "must show that the accused [process or product] contains every limitation in the asserted claims." *Mas-Hamilton Group v. LaGard, Inc.*, 156 F.3d 1206, 1211 (Fed. Cir. 1998).

Notwithstanding the fact that the claim states that "[w]hat is claimed is . . . *a vehicle headlight control device*," Pocah says in its briefing that "[n]othing about the claim suggests that the term 'vehicle headlight control device' is meant to be a limitation." Dkt. 37 at 13. Its counsel maintained this position at oral argument, despite my visible confusion. Dkt. 45 at 101:9–20 ("THE COURT: So you want me to read a claim which says that it's claiming a control device, and you're telling me what is accused doesn't have to be a control device; right? That's your position? [COUNSEL]: That's absolutely right, Your Honor."). I certainly do not fault Pocah for making this argument. In fact, Tiana accepted the premise of Pocah's argument, arguing that "'vehicle headlight control device' provides the necessary antecedent basis for '[t]he vehicle headlight control device' in dependent claim 2." Dkt. 41 at 15.

Ultimately, the problem before me lies in resolving two threads of Federal Circuit precedent. The Federal Circuit has expressly held on many occasions that "[g]enerally, the preamble [of a claim] does not limit the claim[ ]." *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1346 (Fed. Cir. 2002); *see also, e.g.*, *Georgetown Rail Equip. Co. v. Holland L.P.*, 867 F.3d 1229, 1236 (Fed. Cir. 2017) ("Generally, the preamble does not limit the claims."); *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335, 1347 (Fed. Cir. 2012) ("As a general rule[,] preamble language is not treated as limiting." (citing *Allen Eng'g*, 299 F.3d at 1346 (Fed.

Cir. 2002)); *DeGeorge v. Bernier*, 768 F.2d 1318, 1322 n.3 (Fed. Cir. 1985) ("Generally, and in this case, the preamble does not limit the claims."). And it has expressly held on many occasions that "[p]reamble language that merely states the purpose or intended use of an invention is generally not treated as limiting the scope of the claim." *Bicon, Inc. v. Straumann Co.*, 441 F.3d 945, 952 (Fed. Cir. 2006); *see also, e.g.*, *Marrin v. Griffin*, 599 F.3d 1290, 1294 (Fed. Cir. 2010) (same); *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305 (Fed. Cir. 1999) (where the preamble "merely states, for example, the purpose or intended use of the invention, then the preamble is of no significance to claim construction because it cannot be said to constitute or explain a claim limitation."). In *Marrin*, the court went so far as to refer to this latter general rule as "*the presumption* against reading a statement of purpose in the preamble as a claim limitation." 599 F.3d at 1294–95 (emphasis added). Here, Pocah has seized on this legal presumption. It argues that "vehicle headlight control device" is not a limitation because it is found in the claim's preamble and "simply provides the 'intended use' for the invention." Dkt. 37 at 15.

The Federal Circuit, however, has also repeatedly held that "[t]he preamble limits the claimed invention if it is 'necessary to give life, meaning, and vitality to the claim.' " *Marrin*, 599 F.3d at 1296. *See also, e.g.*, *Catalina Mktg. Int'l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002); *MBO Labs., Inc. v. Becton, Dickinson & Co.*, 474 F.3d 1323, 1330 (Fed. Cir. 2007); *Rotatable Techs. LLC v. Motorola Mobility LLC*, 567 F. App'x 941, 943 (Fed. Cir. 2014); *Bio-Rad Labs., Inc. v. 10X Genomics Inc.*, 967 F.3d 1353, 1369 (Fed. Cir. 2020). And as I, for one, do not understand how the purpose or intended use of a claimed invention would not give meaning or vitality to that invention, the parties' dispute before me presents a conundrum. The purpose or intended use of something is the very reason for which that something is made or done.

What could say more about the life, meaning, and vitality of a claimed invention than the claimed purpose or intended use of the invention?

In the end, I will construe the term "vehicle headlight control device" as a limitation in the asserted claims because that construction comports with common sense, the very notion of "a claim," and the fundamental canon that a claim should be construed to give effect to all its terms. Under Federal Circuit law, "[t]he terms [of a patent], as construed by the court, must ensure that the jury fully understands the court's claim construction rulings and what the patentee covered by the claims." *Power-One, Inc. v. Artesyn Techs., Inc.*, 599 F.3d 1343, 1348 (Fed. Cir. 2010) (internal quotation marks and citation omitted). I think it fair to say that rational jurors would find it confusing were I to instruct them that claim 1 does not claim what it explicitly claims.

**B. "gaze area"**

The parties' second claim construction dispute is about the meaning of the term "gaze area."

Pocah argues that the plain language of claim 1 recites a number of limitations that guide the definition of "gaze area," and "[c]ontrary to [Tiana]'s proposed construction, it does not recite a gaze area that cannot capture *all* of a driver's field of view." Dkt. 37 at 16. Pocah also argues that "claim 1 recites a vehicle headlight control device with an associated gaze area, not the creation of a gaze area untethered from the other claim language," and that Tiana has not identified a disclaimer sufficient to limit the gaze area to only the one identified in Fig. 2. *Id*. at 18.

Tiana responds that "[t]he 'gaze area' limitation should be construed such that the gaze area is viewed in accordance with Figure 1—the only boundary provided by the patent to ascertain whether a product is within or outside the scope of the claim." Dkt. 41 at 8; Dkt. 29 at 15. Tiana notes that the "gaze area," while targeted to capture a driver's view, is necessarily limited: If "the position of the gaze area . . . changes," then the gaze area cannot be all possible areas in front of

the vehicle. Dkt. 29 at 16 (quoting '245 patent at 2:1–2). And Tiana argues that Pocah's interpretation allows for physically impossible gaze areas, and would make the claim indefinite because "the patent fails to provide objective boundaries as to the edges of a gaze area." Dkt. 41 at 9.

> Claim 1 recites, in pertinent part:
>
> A gaze area estimating device configured to estimate the gaze area of a driver; and
>
> A reference area varying device configured to set the reference value to a first reference value when the object is detected within the gaze area and set the reference value to a second reference value that is greater than the first reference value when the object is detected outside of the gaze area.

'245 patent at Claim 1. The specification explains that the ultimate problem for drivers is the glare occurring due to changes in the position of glare-causing lights, cars, and drivers:

> The device according to the related art uses a reference value (fixed value) set in advance, and compares the brightness of detected objects with the reference value. Accordingly, when the reference value is set in accordance with the way that the driver senses glare with regard to the object Oa that is present within the gaze area A, the timing of starting dimming of the object Ob that is outside of the gaze area A is quickened, and dimming is started even though the brightness of the object Ob is a brightness that the driver feels no need for dimming. Accordingly, even if the driver wants to see the object, the object becomes dark, and it becomes difficult for the driver to see the object.
>
> On the other hand, when the reference value is set in accordance with the way that the driver senses glare with regard to the object Ob that is present outside of the gaze area A, the timing of starting dimming of the object Oa that is within the gaze area A is delayed, and the duration of time over which the driver senses glare with regard to the object Oa is prolonged.
>
> Further, the position of the gaze area A changes. For example, when the gaze direction of the driver is a direction ahead of the own vehicle as illustrated in FIG. 2, the object Oa present in the front is in the gaze area A, and accordingly the driver senses glare. On the other hand, when the gaze direction of the driver is toward the right, the object Ob is present in the front but is not in the gaze area A, and accordingly the driver does not sense much glare. Thus, the glare that the driver senses changes depending on the direction of gaze of the driver as well.

'245 patent at 1:37–2:12.

Here, I find that the term "gaze area" means "a region in the gaze direction of the driver that is less than the full area before the driver."

The *Halliburton* case cited by Tiana noted that a person of skill in the art would consider the Figures. *Halliburton Energy Servs., Inc. v. M-I LLC*, 514 F.3d 1244, 1252 (Fed. Cir. 2008) ("A person of ordinary skill would not have ignored these explicit teachings, but rather would have looked to Figure 3 to try to determine the bounds of the claims."). And the only figure that provides any insight as to what the boundaries of the "gaze area" are is Figure 2. *See* '245 patent at 2:23–24 ("FIG. 2 is a diagram illustrating an impression of scenery ahead as seen from a driver's seat."). Moreover, the specification describes the "gaze area" as a movable, changing area. If the area were large enough to capture, say, the entire hemisphere in front of the car, the specification would be rendered meaningless. And the claims "must be read in view of the specification, of which they are a part." *Phillips*, 415 F.3d at 1315 (cleaned up). While the figure is not dispositive, I see no indication in the specification that the patent embraced a "gaze area" as broad as the full area before the driver.

## IV. CONCLUSION

For all these reasons, the Court construes the disputed terms as noted above and GRANTS Tiana's motion for summary judgment of noninfringement.

IT IS SO ORDERED.

Dated: September 9, 2025

*/s/ Erika D. Margaret*
THE HONORABLE ERIKA D. MARGARET
UNITED STATES DISTRICT JUDGE

# VEHICLE HEADLIGHT CONTROL SYSTEM

## DESCRIPTION OF RELATED ART

There is known, as related art, a control device that causes a camera to capture an image of a region ahead of an own vehicle, detects an object (e.g., traffic sign or the like) reflecting light irradiated from headlights in the captured camera image, and controls the quantity of light irradiated from the headlights based on the brightness of the detected object, as proposed in EP2026GSR25B1, for example.

The above-described device reduces glare sensed by the driver, by reducing the quantity of light irradiated to the object when the brightness of the detected object exceeds a reference value.

## SUMMARY

However, even when the brightness of detected objects is the same, the glare that the driver senses in the reflected light from the object differs depending on the positions where the objects are detected. For example, FIG. 2 illustrates a situation where there is an object Oa present within a region A in the gaze direction of the driver (hereinafter referred to as "gaze area A"), and an object Ob that is not present within the gaze area A. The glare that the driver senses in the reflected light from the objects Oa and Ob differs. That is to say, even if the brightness of the detected objects Oa and Ob is the same, the object Oa within the gaze area A seems to have more glare to the driver than the object Ob outside of the gaze area A.

The device according to the related art uses a reference value (fixed value) set in advance, and compares the brightness of detected objects with the reference value. Accordingly, when the reference value is set in accordance with the way that the driver senses glare with regard to the object Oa that is present within the gaze area A, the timing of starting dimming of the object Ob that is outside of the gaze area A is quickened, and dimming is started even though the brightness of the object Ob is a brightness that the driver feels no need for dimming. Accordingly, even if the driver wants to see the object, the object becomes dark, and it becomes difficult for the driver to see the object.

On the other hand, when the reference value is set in accordance with the way that the driver senses glare with regard to the object Ob that is present outside of the gaze area A, the timing of starting dimming of the object Oa that is within the gaze area A is delayed, and the duration of time over which the driver senses glare with regard to the object Oa is prolonged.



Further, the position of the gaze area A changes. For example, when the gaze direction of the driver is a direction ahead of the own vehicle as illustrated in FIG. 2, the object Oa present in the front is in the gaze area A, and accordingly the driver senses glare. On the other hand, when the gaze direction of the driver is toward the right, the object Ob is present in the front but is not in the gaze area A, and accordingly the driver does not sense much glare. Thus, the glare that the driver senses changes depending on the direction of gaze of the driver as well.

The device according to the related art cannot deal with this change in the way that the driver senses glare.

The disclosure provides a control device that yields appropriate antiglare performance.

## BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a schematic configuration diagram of a vehicle headlight control device; and

FIG. 2 is a diagram illustrating an impression of scenery ahead as seen from a driver's seat.

## DETAILED DESCRIPTION

A vehicle headlight control device will be described below with reference to the drawings.

FIG. 1 illustrates a schematic configuration of a vehicle headlight control device **1**. The vehicle headlight control device **1** is installed in a vehicle (hereinafter, may be referred to as "own vehicle" to differentiate from other vehicles). An adaptive high beam system (hereinafter, "AHS") is implemented in the vehicle headlight control device **1**. AHS is a light distribution control system that performs dimming adjustment of high beams to realize varying light distribution patterns.

The vehicle headlight control device **1** is provided with a lighting electronic control unit (ECU) **10**, a right headlight **20**R, a left headlight **20**L, a camera device **30**, a vehicle speed sensor **40**, and a switch unit **50**.

The lighting ECU **10** is an electronic control unit that is provided with a microcomputer as a main portion. In the present specification, a microcomputer includes a central processing unit (CPU), read-only memory (ROM), random access memory (RAM), nonvolatile memory, an interface, and so forth. The CPU realizes various types of functions by executing instructions (programs, routines) stored in the ROM.

The right headlight **20**R and the left headlight **20**L are AHS-compatible headlights. The right headlight **20**R is provided to the right side of the front end of the vehicle, and the left headlight **20**L is provided to the left side of the front end of the vehicle. The right headlight **20**R and the

left headlight **20**L are provided symmetrically in the right-left direction, and the basic configurations thereof are the same as each other.

The right headlight **20**R is provided with a right low beam lamp **21**R and a right high beam lamp **22**R. The left headlight **20**L is provided with a left low beam lamp **21**L and a left high beam lamp **22**L. Hereinafter, when there is no need to distinguish between the right headlight **20**R and the left headlight **20**L, these will be collectively referred to as "headlights **20**". Also, when there is no need to distinguish between the right low beam lamp **21**R and the left low beam lamp **21**L, these will be collectively referred to as "low beam lamps **21**", and when there is no need to distinguish between the right high beam lamp **22**R and the left high beam lamp **22**L, these will be collectively referred to as "high beam lamps **22**". The low beam lamps **21** irradiate light to a low-beam region near the own vehicle, and the high beam lamps **22** irradiate light to a high-beam region far away from the own vehicle. The low beam lamps **21** and the high beam lamps **22** are connected to the lighting ECU **10**, and lighting control of each is performed by the lighting ECU **10**.

Of the low beam lamps **21** and high beam lamps **22** of the headlights **20**, the high beam lamps **22** are capable of variable light distribution, i.e., light distribution control thereof can be performed. Light distribution characteristics of the low beam lamps **21** are fixed.

The high beam lamps **22** are each configured of a plurality of LED (light-irradiating diode) light sources **23** arrayed in a row in the lateral direction. The layout of the LED light source **23** can be optionally set, and may be configured with a plurality of rows of LED light sources **23** arrayed, for example. The number of LED light sources **23** making up the high beam lamps **22** may also be optionally set. Hereinafter, the LED light sources **23** will be simply referred to as LEDs **23**.

The LEDs **23** making up the high beam lamps **22** are each independently connected to the lighting ECU **10** and are selectively lit by the lighting ECU **10**. The amount of irradiation (quantity of light) of each LED **23** is controllable by individually adjusting the current that is applied by the lighting ECU **10**. Directions of irradiation of the LEDs **23** are set to be different from each other, and light can be irradiated to the full irradiation range of the high beam lamps **22** by all LEDs **23** being lit. That is to say, the full irradiation range of the high beam lamps **22** is divided into a plurality (the same as the number of LEDs **23**)in the vehicle lateral direction (right-left direction), and each of high-beam divided regions



that are these divided regions is an irradiation region handled by a respective LED **23**.

Accordingly, lighting only certain optionally-selected LEDs **23** enables light to be irradiated just to the irradiation regions (high-beam divided regions) of the LEDs **23** that have been lit. Also, adjusting the amount of current applied to all LEDs **23** enables the amount of irradiation of the full irradiation region of the high beam lamps **22** to be adjusted up or down. Further, adjusting the amount of current applied to certain optionally-selected LEDs **23** enables the amount of irradiation of the optionally-selected irradiation regions (high-beam divided regions) of the high beam lamps **22** to be adjusted up or down.

The camera device **30** is installed at a position where it is capable of capturing images ahead of the own vehicle from the vehicle cabin side of the windshield. The camera device **30** has a camera **31** and an image processing unit **32**. The camera **31** captures images of the scenery ahead of the own vehicle at a predetermined framerate, and transmits camera images (frame images) obtained by the image capturing to the image processing unit **32**. The image processing unit **32** detects (recognizes) objects present ahead of the own vehicle, based on the camera images transmitted from the camera **31**, and supplies information relating to the detected objects to the lighting ECU **10** at a predetermined cycle.

For example, the image processing unit **32** recognizes the presence of vehicles traveling ahead and oncoming vehicles (referred to as "other vehicles") with lights on, by detecting taillamps of vehicles traveling ahead and headlights of oncoming vehicles based on the camera images. The image processing unit **32** also detects traffic signs, signboards, and so forth (hereinafter referred to as "display boards"), based on camera images. Such display boards have a face that reflects light irradiated from the headlights **20** of the own vehicle. Accordingly the luminance value thereof in the images is high, and the presence can be easily recognized. Also, light-irradiating objects such as guide lamps for road construction and the like have high luminance values, and thus are detected.

The image processing unit **32** also detects boundary lines to the right and left of the road (own-vehicle road) where the own vehicle is traveling, based on camera images. For example, boundary lines of the own-vehicle road are detected by road marking lines (for example, white lines). Note that curbs, guardrails, and so forth are also used for detecting boundary lines in addition to the road marking lines.

The image processing unit **32** supplies position information and luminance information of objects

present ahead of the own vehicle to the lighting ECU **10** at a predetermined cycle. The position information is expressed by polar coordinates. The image processing unit **32** also supplies position information regarding the right and left boundaries of the own-vehicle road to the lighting ECU **10** at a predetermined cycle. The image processing unit **32** also recognizes the brightness ahead of the own vehicle, based on camera images, and supplies information relating to the brightness to the lighting ECU **10** at a predetermined cycle.

The vehicle speed sensor **40** detects the vehicle speed of the own vehicle (vehicle body speed), and supplies a vehicle speed signal representing the detected vehicle speed to the lighting ECU **10** at a predetermined cycle.

The switch unit **50** is provided with a lighting switch that switches between on/off of the headlights **20**, a Hi/Lo switching switch to select the light distribution pattern (high beam or low beam) of the headlights **20**, an automatic high beam control selection switch to select whether to perform automatic high beam control, an adaptive high beam control selection switch to select whether to perform adaptive high beam control, and a reflected-light glare-suppression control selection switch to select whether to perform reflected-light glare-suppression control.

The switch unit **50** supplies information set by setting operations performed by the driver to the lighting ECU **10**. Note that these switches do not necessarily have to be integrally provided to the switch unit **50**, and may be divided into a plurality. Alternatively, a configuration may be made where the switches are selected and set by operations performed at a touchscreen that is omitted from illustration. Also, the lighting switch may be an automatic switching switch using signals of an illuminance sensor that detects the illuminance around the own vehicle.

Next, description will be made regarding light distribution control that the lighting ECU **10** performs. The lighting ECU **10** performs automatic high beam control when performing automatic high beam control is selected by the automatic high beam control selection switch. This automatic high beam control is a known type of light distribution control generally called Automatic High Beam (AHB), and is performed to automatically switch the light distribution pattern while the headlights **20** are on. While automatic high beam control is being performed, the lighting ECU **10** determines whether high beam light distribution conditions are satisfied, based on the vehicle speed detected by the vehicle speed sensor **40** and the information supplied from the camera device **30** (other vehicle information and brightness information). When high beam light distribution conditions are satisfied, the light distribution pattern is set to high beam, and when high beam light distribution conditions are not satisfied, the light distribution pattern is set to low beam.



When the light distribution pattern is set to high beam, both the high beam lamps **22** and the low beam lamps **21** are on, and when the light distribution pattern is set to low beam, the high beam lamps **22** are off and only the low beam lamps **21** are on. When the headlights **20** are on, the low beam lamps **21** are always in an on state. Accordingly, on/off of the high beam lamps **22** is controlled in the automatic high beam control.

When performing adaptive high beam control is selected by the adaptive high beam control selection switch, the lighting ECU **10** performs adaptive high beam control. While performing adaptive high beam control, the lighting ECU **10** controls the light distribution of the high beam lamps **22** based on the vehicle speed detected by the vehicle speed sensor **40**, and the information supplied from the camera device **30** (other vehicle information and brightness information).

When the headlights **20** are on, the low beam lamps **21** are always in an on state. Accordingly, in adaptive high beam control, the quantity of light of each of the LEDs **23** making up the high beam lamps **22** is individually controlled. While performing adaptive high beam control, the lighting ECU **10** basically sets the light distribution pattern to high beam as long as the vehicle speed is not slower than a predetermined speed and the brightness ahead is not brighter than a predetermined value. However, the lighting ECU **10** sets a light distribution pattern for the high beams that is adjusted to be dimmer depending on the situation ahead of the own vehicle.

For example, when another vehicle with lamps on is detected by the camera device **30** (a vehicle traveling ahead with taillamps on or an oncoming vehicle with headlights on), the lighting ECU **10** turns off the LEDs **23** that handle irradiating light to an irradiation region in the direction in which the other vehicle is present, such that light is not irradiated to that irradiation region. This can keep the driver of the other vehicle from being dazzled. In this situation, the quantity of light may be reduced rather than completely turning off the LEDs **23** that handle irradiating the light.

Reflected-Light Glare-Suppression Control

When performing reflected-light glare-suppression control is selected by the reflected-light glare-suppression control selection switch, the lighting ECU **10** performs reflected-light glare-suppression control. While performing reflected-

light glare-suppression control, the lighting ECU 10 individually controls the quantity of light of the LEDs 23 making up the high beam lamps 22 based on information supplied from the camera device 30. Accordingly, the reflected-light glare-suppression control is performed in a state where high beam is set for the light distribution pattern.

For example, there are instances where light irradiated from the headlights **20** is reflected off of a display board, and the driver senses glare from the reflected light. The intensity of reflected light from display boards can be detected by the luminance of camera images. While performing reflected-light glare-suppression control, the lighting ECU **10** acquires position information and luminance information of detected objects, and when an object is detected where the luminance exceeds a reference value, the quantity of light irradiated to that object is reduced. Accordingly, an object of which the luminance exceeds the reference value is a dimming target object. This luminance information is information representing the luminance ($cd/m^2$) of each pixel in the camera images, for example.

Here, the lighting ECU **10** lowers the output of the LEDs **23** that handle irradiation of light to the dimming target object by reducing the amount of current applied to these LEDs **23**. Thus, the quantity of light irradiated to the dimming target object is reduced, and the intensity of reflected light from the dimming target object is weakened. Accordingly, the glare that the driver senses can be reduced. For example, the intensity of reflected light from an object detected in the distance increases as the object becomes closer to the own vehicle. When the luminance of the object exceeds the reference value in this process, this object is taken to be a dimming target object, and the quantity of light irradiated to the irradiation region where the dimming target object is present is reduced.

A reference range is set that is expressed by a range between an upper limit value and a lower limit value. This upper limit value is such a threshold value that the driver senses glare when the luminance is not lower than the upper limit value, and the lower limit value is a threshold value where the driver senses darkness and difficulty to see when the luminance is not higher than the lower limit value. When reflected-light glare-suppression control is performed, the quantity of light irradiated to an irradiation region where an object of which the luminance exceeds the upper limit value of the reference range is present (dimming target object) is reduced, and the quantity of light irradiated to an irradiation region where a dimming target object of which the luminance is below the lower limit value of the reference range due to dimming is present is increased.



Even when the luminance of detected objects are the same, the glare that the driver senses differs depending on the position where the object is detected. That is to say, even when the luminance of detected objects are the same, the driver senses more glare from an object that is within an area in the direction of gaze of the driver (referred to as "gaze area") as compared to an object outside of the gaze area. Accordingly, fixing the reference range without giving consideration to the position of an object prevents appropriate light quantity control from being performed. That is to say, the timing of starting dimming and the timing of starting increase of light cannot be appropriately set.

Accordingly, different reference ranges are each separately set for objects present within the gaze area and objects present outside of the gaze area in the reflected-light glare-suppression control. In order to do this, the gaze area in the camera image needs to be estimated, of which methods to estimate the gaze area are known in the art. The gaze area A of the driver is estimated, and the reference range (upper limit luminance Lmax, lower limit luminance Lmin) is set lower regarding objects detected within this gaze area A as compared to objects detected outside of the gaze area A. When the detected luminance Lx of the object exceeds the upper limit luminance Lmax, the LED target output P* of the LEDs **23** that handle irradiation of light to the irradiation region where that object is present is reduced, and the intensity of reflected light from the object is weakened.

Thus, when an object is detected within the gaze area A, the timing of reducing the quantity of light irradiated to the irradiation region where that object is present is quickened in comparison with objects detected outside of the gaze area A, and the duration of time over which the driver senses glare can be shortened. Also, when an object is detected outside of the gaze area A, the timing of reducing the quantity of light irradiated to the irradiation region where that object is present is delayed in comparison with objects detected within the gaze area A, thereby preventing excessive dimming from being performed. Accordingly, the driver can be prevented from sensing that the visibility of the object is poor. As a result, appropriate antiglare performance can be yielded according to the present embodiment.

What is claimed is:

**1.** A vehicle headlight control device comprising:

a headlight configured to irradiate light ahead of the affiliated vehicle, and adjust a quantity of light irradiated to each irradiation region into which an irradiation range of light is sectioned;

an image capturing device configured to capture an image ahead of the own vehicle;

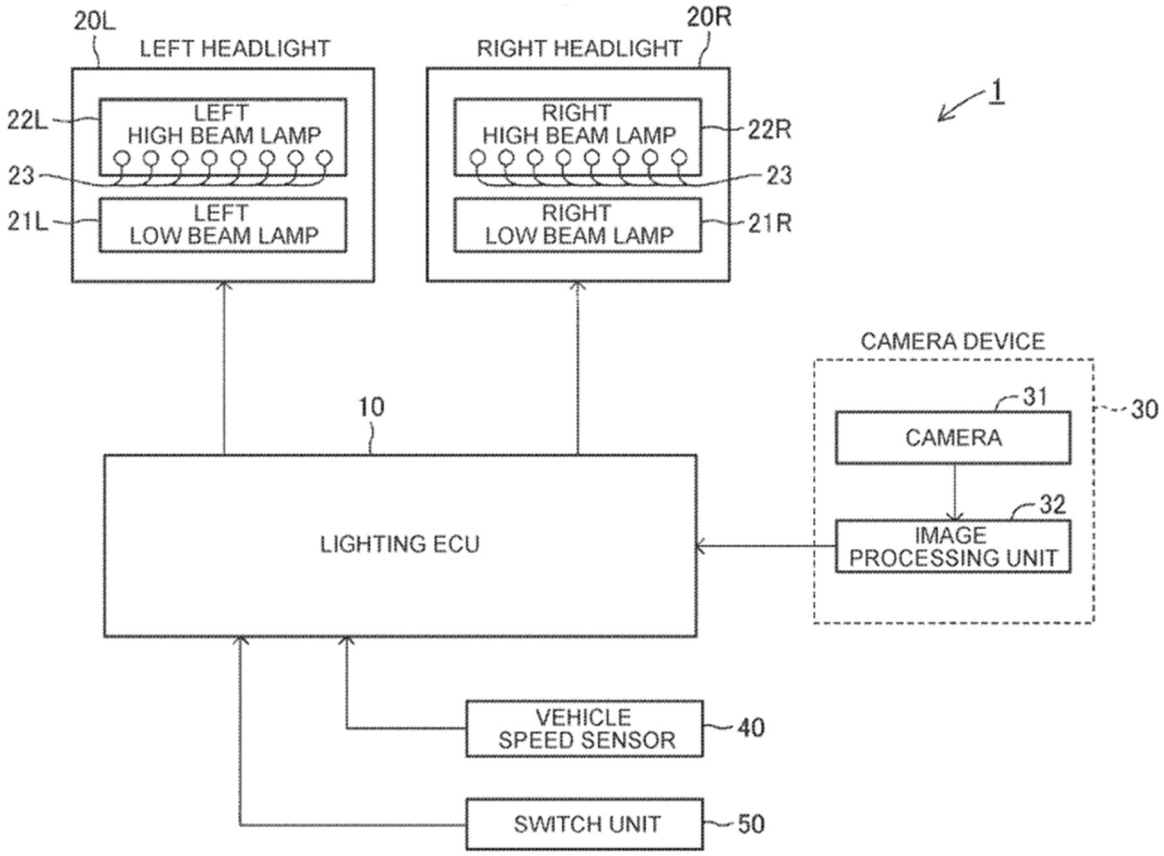
a measuring unit configured to acquire a measurement which represents the brightness of an object detected ahead of the affiliated vehicle, based on the image captured by the image capturing device when light is irradiated by the headlight;

a gaze area estimating device configured to estimate the gaze area of a driver; and

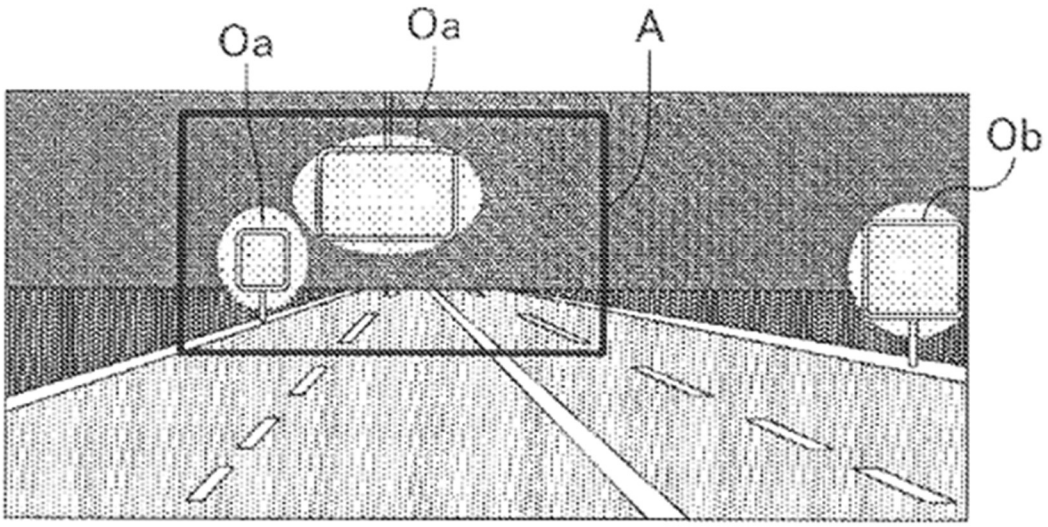
a reference area varying device configured to set the reference value to a first reference value when the object is detected within the gaze area and set the reference value to a second reference value that is greater than the first reference value when the object is detected outside of the gaze area.

**2.** The vehicle headlight control device according to claim 1, wherein the headlight comprises a low beam lamp and a high beam lamp.

# FIG. 1


20L
LEFT HEADLIGHT
20R
RIGHT HEADLIGHT
1
22L
LEFT
HIGH BEAM LAMP
22R
RIGHT
HIGH BEAM LAMP
23
23
21L
LEFT
LOW BEAM LAMP
21R
RIGHT
LOW BEAM LAMP
CAMERA DEVICE
10
31
30
CAMERA
32
IMAGE
PROCESSING UNIT
LIGHTING ECU
VEHICLE
SPEED SENSOR
40
SWITCH UNIT
50

# FIG. 2


Oa
Oa
A
Ob

**IN THE UNITED STATES DISTRICT COURT**
**FOR THE EASTERN DISTRICT OF GILESEAD**

| | |
|---|---|
| POCAH, INC.<br><br>Plaintiff,<br><br>v.<br><br>TIANA TECHNOLOGIES CORP.<br><br>Defendant, | Civ. No. 1:25-cv-GSR |

**TIANA TECHNOLOGY CORPORATION'S**
**SECOND AMENDED COUNTERCLAIMS [EXCERPTED][1]**

Defendant and Counterclaimant Tiana Technologies Corp. ("Tiana") brings its Second Amended Counterclaims, alleging as follows:[2]

## INTRODUCTION

1. Tiana has been forced to pay supracompetitive prices a result of Pocah, Inc.'s ("Pocah") monopolization, attempted monopolization, and restraint of the markets for compatible replacement parts ("Pocah-Compatible Parts") and maintenance and repair services ("Pocah Repair Services") for Pocah vehicles.

2. In the mid-2000's, Pocah created and released lines of collectible toys, including the Pocah-Pocah, which are plush monsters with big eyes, clever expressions, and eleven teeth. Pocah, as a consumer products company, has become a major force whose products cater to adults

[1] The excerpted paragraphs have been renumbered sequentially.

[2] For the purposes of transparency with the Court, Tiana incorporates by reference the deposition testimony of Margaret George and Dr. Annie Lucas in *State of Gilesead v. Pocah, Inc.*, an antitrust case brought by the State of Gilesead against Pocah arising from its Pocah-Car business practices.

and children alike. Consumers often think of Pocah products as "affordable luxury." Pocah also has theme songs for some of its toy characters. Many customers, when seeking to purchase Pocah's more popular products, purchase the products from Pocah's website, in which the consumer can pay for and reserve products for pick-up.

3. Pocah-Pocah collectible toys, which typically sell for about $20 to $40, frequently sell at a substantial premium at third-party sites. In addition, counterfeit Pocah-Pocah collectibles are common.

4. In 2015, Pocah, expanding beyond the collectible toy market, released the "Pocah-Car," an entry-level electric vehicle whose design was influenced by its toy collectibles. The Pocah-Car's popular features include electronic touchscreens in the vehicle, whose content includes photos, short films, and music featuring its characters. The Pocah-Car is priced about ten percent above comparable entry-level electric vehicles ("EVs"). In addition, the Pocah-Car is available in a wide range of unusual, popular colors. As an option, Pocah even offers "blind box" color options, which have proven popular. From an engineering standpoint, the Pocah-Car is similar to average EVs.

5. The Pocah-Car has become one of the most popular automobiles in the world. In the entry-level EV market, the Pocah-Car has a market share of approximately 50 percent.

6. As part of its automobile business model, Pocah has sought to create a Pocah "eco-system," thereby capitalizing on the aftermarket of its automobile parts and services. Along corresponding lines, Pocah-Car's entertainment service options include short films, music, and sound effects from the Pocah characters.

7. As part of the Pocah ecosystem, Pocah has further monopolized, attempted to monopolize, and tied the sale of its EVs with its automobile service and repair aftermarket. By

imposing restrictive, opaque service aftermarket policies, Pocah has made it practically impossible for consumers to use third-party repair options. In addition, Pocah has made it practically impossible for third parties like Tiana to compete in the repair market.

8. Pocah has violated Section 1 of the Sherman Act by forcing consumers to purchase Pocah maintenance, service, and repairs once they are locked into the Pocah ecosystem through the purchase of a Pocah-Car. Pocah's tying arrangements have the intent and effect of harming competition for Pocah-Car repair services.

9. Pocah has violated Section 2 of the Sherman Act by monopolizing or attempting to monopolize the Pocah-Car repair, services, and maintenance market in a manner that has injured consumers and that has reduced consumer choice, thereby increasing prices to supracompetitive levels.

10. In addition to awarding damages, the Court should enjoin Pocah's illegal monopoly in the Pocah Car repair, services, and maintenance market.

## THE PARTIES

11. Tiana is a Delaware company that designs, manufactures, and sells a broad range of products, including automotive replacement parts, across the United States in interstate commerce. Tiana's principal place of business is in the Eastern District of Gilesead.

12. Pocah is a Delaware corporation with its principal place of business in the Eastern District of Gilesead. Pocah designs, manufactures, and sells the Pocah-Car, Pocah-Pocah collectibles, and Pocah-Car replacement parts and services in interstate commerce.

## JURISDICTION AND VENUE

13. Tiana brings this amended counterclaim under Section 16 of the Clayton Act, 15 U.S.C. § 26, to prevent and restrain violations of Section 2 of the Sherman Act. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1337.

14. Venue in the United States District Court for the Eastern District of Gilesead is proper under 28 U.S.C. § 1391. Pocah is a corporation that transacts business within this judicial district and division. The acts complained of have had, and will have, substantial anticompetitive effects in the Eastern District of Gilesead.

[ . . . ]

## RELEVANT PRODUCT MARKETS

### A. The EV Market and Submarkets

15. The EV market comprises battery-electric motor vehicles that are designed and sold to be driven on public streets. Consumers purchase EVs due to their distinctive attributes, including among other things, the ability to comfortably transport multiple people to specific destinations, located many miles apart, with no carbon emissions. EVs are distinct from traditional, gasoline-powered vehicles in multiple ways. First, EVs are typically more expensive than gasoline-powered vehicles with comparable features. According to Blue Book values, the average sales price in 2023 of EVs was approximately $50,000, or 24 percent above the average sale price of gasoline-powered vehicles. For entry-level EVs, the average sales price in 2023 of entry-level EVs was approximately $30,000, or about 30 percent above the average sale price of a gasoline-powered vehicle.

16. Second, EVs have a limited driving range compared to gasoline-powered vehicles. In 2023, the average electric-powered vehicle can drive could travel 217 miles on a single charge, whereas the average ICE vehicle could travel about 350 miles on a tank of gasoline.

17. Third, the infrastructure for charging EVs is distinct and separate from the infrastructure for refueling gasoline-powered vehicles. EVs use vehicle charging stations, unlike traditional gasoline stations. The EV charging process typically takes substantially longer (e.g., 30

minutes for a partial charge at a charging station; potentially overnight at a home charger) than to refill a gasoline tank (typically a few minutes).

18. In view of such differences, EVs are used for distinct purposes by consumers who have particular transportation needs. EVs are more suitable for local travel than long-haul driving.

19. The public, as well as analysts and industry insiders, acknowledge that EVs are a separate market, or at least, a distinct submarket. For instance, automobile analysts frequently acknowledge that EVs are a distinct product market by promoting the electric vehicle market and explaining its environmental friendliness compared to gasoline-powered vehicles.

20. In addition, at least two additional automobile makers announced they would reorganize their gasoline-powered and EV business units, so they would be run as separate businesses.

21. Since its release in 2015, during each year, the Pocah-Car has been the best-selling EV in the United States. For such reasons, the United States EV market is its own relevant market, in which Pocah has substantial market power.

22. Within the EV market, entry-level EVs are a distinct sub-market. The distinct features include a specific interior volume (e.g., 100-130 cubic feet), affordability, ease of parking, and further reduced impact on the environment. Within the entry-level EV market, the Pocah-Car has a market share in the United States of approximately 50 percent.

23. Within the EV market, Pocah created a new, distinct sub-market based on collectible characters. When promoting the Pocah Car, Pocah has touted the Pocah-Car experience as immersive, magical, and joyful. Pocah's use of media, including its films and music, further create a distinct market for consumers. After the release of the Pocah Car, rival automobile makers entered into cross-branding with entertainment companies. Within the EV market, for new

vehicles, the Pocah-Car's market share in the United States is 96 percent. In a recent survey, 80 percent of Pocah-Car owners stated that they would only replace the Pocah-Car with another Pocah-Car. An additional 10 percent stated that they would consider replacing the Pocah-Car with another EV.

24. Accordingly, Pocah has substantial market power in the EV market, including within the sub-markets of entry-level EVs and character-based EVs.

**B. The Pocah-Car Services Aftermarket**

25. The Pocah Services aftermarket comprises services to maintain, service, and repair Pocah-Cars.

26. In its clickwrap agreements, Pocah requires consumers to maintain, service, and repair the Pocah-Cars exclusively through Pocah. Under these agreements, maintaining, servicing, and/or repairing a Pocah-Car not through Pocah is a violation of the warranty on the Pocah-Car, even if the part being replaced or repaired falls outside the warranty.

27. Pocah does not provide diagnostic tools to third parties, thereby impairing competition in the repair aftermarket.

28. Pocah's warranty provisions and other agreements are opaque and provide Pocah with complete control over the diagnosis and repair of Pocah Cars.

29. Once out of warranty, Pocah charges supracompetitive prices for its repairs.

30. To conceal the supracompetitive pricing, Pocah frequently offers exclusive collectible merchandise to its Pocah Car consumers who are obtaining service.

31. Accordingly, there are no viable substitutes for the Pocah Services aftermarket.

32. It is impossible for a consumer to accurately estimate which repair and maintenance services will be required for a Pocah-Car and what they will cost prior to purchasing a Pocah-Car.

Due to Pocah's misleading promotions, consumers—who pay supracompetitive pricing for the Pocah-Car services—are unable to determine the relative pricing of the Pocah-Car services and the exclusive promotional goods.

33. As a result of Pocah's services and repair restrictions and the anticompetitive conduct described here, there is an insubstantial number of independent repair and service providers for Pocah Cars.

34. Due to Pocah's monopolistic and exclusionary conduct, consumers in the Pocah Car Repair Services market have a lack of choice and are forced to pay supracompetitive pricing.

[ . . . ]

**C. The Relevant Geographic Market**

35. The relevant geographic market for the products and services discussed above is the United States.

36. Motor vehicles that are designed to operate in the United States must meet regulatory requirements that are specific to the United States. Thus, certain automobiles are designed specifically for the United States market. American consumers typically do not purchase and import automobiles that are designed for use outside the United States.

37. In addition, Pocah-Car owners in the United States do not and would not turn to parts and services outside the United States, due to different regulatory requirements, incompatibility of certain parts designed for use in the United States, and wait times in repairs outside the United States.

[ . . . ]

**D. Barriers to Entry**

38. Significant barriers to entry exist in the EV, Pocah-Car repair markets, which enable Pocah to maintain its market power. These markets are subject to regulatory and licensing requirements. In addition, entry into these markets would require substantial capital investments in manufacturing facilities and the creation of a service distribution network.

39. In addition, Pocah's conduct, including its exclusionary warranty policies, has created substantial barriers to entry into the Pocah services and parts markets. Due to Pocah's monopolistic and anticompetitive practices, a new entry would risk voiding the Pocah EV warranty. In addition, a new entrant does not have reasonable access to Pocah manuals, diagnostic tools, data, and replacement parts.

[ . . . ]

**E. Pocah's Anti-Competitive Conduct Has Stifled Competition and Inflated Pricing**

40. The lack of market competition in the Pocah-Car repair services market has resulted in artificially high prices, reduced supply, and artificially long wait times for Pocah-Car owners who are repairing or maintaining their EVs.

41. But for Pocah's anticompetitive and monopolistic conduct, Pocah-Car owners would have similar repair and service options as purchasers of gasoline-powered vehicles. For instance, they would be able to repair and service the EVs at a repair shop or at Pocah. In addition, Pocah-Car owners would be able to use third-party parts, which would lead to increased supply and lower prices.

**F. There Are No Legitimate Procompetitive Reasons to Withhold Access to Pocah's Conduct**

42. Indeed, Pocah's conduct flies in the face of the "right-to-repair" movement, which seeks to protect consumers' ability to maintain and repair their products, instead of being compelled to use the manufacturers' services under one-sided, unconscionable contracts.

[ . . . ]

**G. Pocah's Anti-Competitive Conduct Has Stifled Competition and Inflated Pricing**

43. In 2023, the University of Gilesead conducted a study regarding the "right-to-repair" movement.

44. The University of Gilesead determined that there was "insufficient evidence" to support manufacturers' arguments in favor of repair restrictions. The University of Gilesead addressed manufacturers' reasons for the repair restrictions, including safety, quality of repairs, reputational injury, design preferences, and aesthetic benefits.

[ . . . ]

**INTERSTATE COMMERCE**

45. Pocah's anticompetitive conduct has taken place in, and negatively affected the continuous flow of, interstate trade and commerce in the United States, including with respect to the sale of EVs, Pocah-Car repair services, and Pocah-Car parts.

[ . . . ]

**ANTITRUST INJURY**

46. Pocah's anticompetitive conduct has had the following effects: (a) the restraint or elimination of price competition in Pocah repair services and parts; (b) the prices paid for Pocah-Car repair services and parts has been at artificially inflated levels; (c) Pocah-Car wait times have been at artificially long levels.

[ . . . ]

**FIRST CLAIM FOR RELIEF**

**VIOLATION OF § 2 OF THE SHERMAN ACT, 15 U.S.C. § 2**

**Monopolization of the Pocah-Car Repair Services and Parts Market**

47. This cause of action is brought under Section 2 of the Sherman Act, 15 U.S.C. § 2, which prohibits "monopoliz[ation of] any part of the trade or commerce among the several states, or with foreign nations."

48. Pocah has monopoly power in the EV market (and/or its submarkets), Pocah Repair Services market, and Pocah-Compatible Parts market, including the ability to control prices and exclude competition in those markets.

49. Pocah willfully and intentionally engages in predatory, exclusionary, and anticompetitive conduct with the design, purpose, and effect of unlawfully maintaining its monopoly in the Pocah-Car Repair Services and parts market.

[ . . . ]

**SECOND CLAIM FOR RELIEF**

**VIOLATION OF § 2 OF THE SHERMAN ACT, 15 U.S.C. § 2**

**Attempted Monopolization of the Pocah-Car Repair Services and Parts Market**

50. Tiana incorporates by reference all allegations set forth above as if fully set forth herein.

51. Even assuming Pocah did not have monopoly power in the Pocah-Car Repair Services and Parts markets, at a minimum, Pocah has a dangerous probability of success in acquiring monopoly power in those markets.

52. Pocah willfully and intentionally engages in the predatory, exclusionary, and anticompetitive conduct described herein with the design, purpose, and effect of attempting to monopolize the Pocah Repair Services and Parts markets.

**THIRD CLAIM FOR RELIEF**

**VIOLATION OF § 1 OF THE SHERMAN ACT, 15 U.S.C. § 1**

**Unlawful Tying**

53. Tiana incorporates by reference all allegations set forth above as if fully set forth herein.

54. An unlawful tying arrangement exists, and constitutes a violation of Section 1 of the Sherman Act, where a seller conditions the sale of a good or service in one market in which the seller has market power (the "tying" product) upon the buyer's agreement to (a) buy a second good or service (the "tied" product) from the seller or (b) refrain from buying that same good or service from a competing seller.

55. Pocah has market power in multiple markets, including but not limited to (1) EVs (and related submarkets), (2) Pocah-Car repair services, (3) Pocah-Car parts, and (4) Pocah collectibles.

56. Due to Pocah's illegal conduct, Pocah consumers cannot reasonably estimate the total aggregate cost of all Pocah repair services and Pocah-Compatible parts that will need to be purchased over the lifetime of their EVs at the time of purchase. In addition, Pocah obfuscates the pricing of its services by bundling in collectibles, such as exclusive toy offerings.

57. By virtue of the anticompetitive conduct alleged herein, Pocah has engaged in tying arrangements.

58. For instances, Pocah leverages its market power in the EV market (i.e., the tying product) to coerce Tiana and other consumers into purchasing Pocah repair services and Pocah-Compatible parts (*i.e.*, the tied products and services) only from or through Pocah, thereby restraining competition in those markets and excluding other sellers of the tied products and services.

59. Second, Pocah leverages its market power in the Pocah-Compatible Parts market (*i.e.*, the tying product) to coerce Tiana and other consumers into purchasing Pocah Repair Services (*i.e.*, the tied services) only from or through Pocah and excluding other sellers of Pocah Repair Services.

60. Third, Pocah leverages its market power in the Pocah Repair Services market (*i.e.*, the tying product) to coerce Plaintiffs and other consumers into purchasing Pocah-Compatible Parts only from or through Pocah, thus restraining competition in the Pocah-Compatible Parts market and excluding other sellers of Pocah-Compatible Parts.

61. In addition, Pocah has leveraged its market power in the Pocah collectibles market to coerce Plaintiffs and other consumers into purchasing Pocah-Compatible parts and services.

62. All these tying arrangements affected a substantial amount of interstate commerce and Pocah has a substantial economic interest in sales of Pocah EVs, Pocah Repair Services, and Pocah-Compatible Parts.

63. There are no legitimate procompetitive business justifications for Pocah's unlawful tying arrangements.

[ . . . ]

64. As a direct and proximate result of Pocah's anticompetitive and monopolistic conduct, Tiana and other consumers have suffered, and will continue to suffer, injuries of the type

that the antitrust laws were intended to prevent, including, among other things, paying supracompetitive prices for Pocah Repair Services and Pocah-Compatible Parts, experiencing shortages and long wait times in receiving Pocah Repair Services and Pocah-Compatible Parts (and incurring additional injury and expenses related thereto), and being generally deprived of the competitive benefits which otherwise would result.

[ . . . ]

**PRAYER FOR RELIEF**

WHEREFORE, Tiana respectfully requests the following relief:

1. That the Court award actual damages sustained by Tiana in an amount to be proved at trial;

2. That the Court treble these damages as required by statute, 15 U.S.C. § 15(a);

3. That the Court grant preliminary and permanent injunctive relief enjoining Pocah, its agents, officers, employees, representatives, successors, assigns, attorneys and all other persons and entities acting Pocah from violating Sections 1 and 2 of the Sherman Act;

4. That the Court award attorneys' fees to Pocah as provided by Clayton Act Section 4, 15 U.S.C. § 15, together with costs of suit and pre-judgment and post-judgment interest at the maximum rate permitted by law; and

5. That the Court award such other relief as this Court may deem just and proper.

**DEMAND FOR JURY TRIAL**

Pursuant to the Seventh Amendment and Fed. R. Civ. P. 38(b), Defendant and Counterclaimant Tiana hereby demands trial by jury of all issues.

Ms. Margaret George, having been duly sworn, testified as follows:

EXAMINATION

*** LINES OMITTED ***

BY Ms. Mary Capri, Attorney General's Office, State of Gilesead

Q: Ms. George, what is your role at Pocah, Inc.?

A: I am the Director of Automotive Design.

Q: How long have you been the Director of Automotive Design at Pocah?

A: Since 2010.

Q: How long have you worked for Pocah?

A: Since 2005.

Q: What was your first job at Pocah?

A: I was a designer for the Pocah-Pocah line of characters.

Q: What is Pocah-Pocah?

A: Pocah-Pocah is a set of characters, which are influenced by Norse mythology, Aesop's fables, and animation characters. Like many cartoon characters, Pocah-Pocah characters often have big eyes and sly expressions. They also have eleven teeth.

Q: Who created the original Pocah-Pocah?

A: Dr. Ann D'Aulaire, the CEO of Pocah-Pocah.

Q: Do you work with Dr. D'Aulaire?

A: Yes.

Q: Did Dr. D'Aulaire hire you?

A: Yes.

Q: Who decided that Pocah-Pocah characters would have eleven teeth?

A: Dr. D'Aulaire.

Q: Who's the principal designer of the Pocah-Pocah characters?

A: Dr. D'Aulaire created the original Pocah-Pocah characters. She makes many design decisions. But there are designers under her.

Q: Were you working for Pocah when Dr. D'Aulaire created the original Pocah-Pocah?
A: Yes.
Q: When did Dr. D'Aulaire create the original Pocah-Pocah?
A: October 2006.
Q: Tell us about the creation of the original Pocah-Pocah.
A: So I had been working at Pocah for about a year.
At Pocah, we were creating a lot of different characters.
Dr. D'Aulaire and many other employees are knowledgeable about the arts, including cartoons and manga. In both fields, character design is important. For instance, cartoonists like Hanna-Barbera created many characters. Over the decades, some animators probably created over 100 cartoon characters.
Q: Would it be fair to say that Pocah sought to build its intellectual Property by designing characters?
A: Yes.
Q: How many characters has Pocah created?
A: Dozens.
Q: Do you have a precise number?
A: I'd estimate about 30 to 50.
Q: Tell us about the creation of the Pocah-Pocah.
A: Dr. D'Aulaire, other employees, and I were working on designing characters. We'd show each other our drawings and other work from time to time. And one day in about October 2006, Dr. D'Aulaire showed me the Pocah-Pocah.
Q: What did you think when you first saw the Pocah-Pocah?
A: I thought it was great.
Q: What was great about the Pocah-Pocah?
A: The slyness, the whimsy. It was very clever visually.
Q: Don't other characters have similar characteristics?
A: Yes, but the Pocah-Pocah had a certain "it" factor.

It's kind of like how certain actors are movie stars. The Pocah-Pocah had an intangible quality.

Q: What did Dr. D'Aulaire think about the original Pocah-Pocah.

A: She felt about the same way.

Q: How about the other Pocah employees?

A: People liked the Pocah Pocah design.

Q: And Pocah released merchandise for the Pocah-Pocah characters?

A: Yes, the Pocah-Pocah was one of the first lines of products that we sold.

Q: Was the Pocah-Pocah successful?

A: Yes. Pocah-Pocah became popular in part because some celebrities were seen with Pocah-Pocah plush figures. There's often a hook so you can connect it to a bag.

Q: How much does a Pocah-Pocah cost?

A: Now, about $25 to $35.

Q: What type of Pocah-Pocah merchandise does the company sell?

A: A wide range. Things like vinyl plushes, pendants, keychains.

Q: How about Pocah-Pocah jewelry?

A: Yes, I forgot. Pocah-Pocah jewelry.

Q: How much does Pocah-Pocah jewelry cost?

A: It depends on the quality of materials. At a high level, Pocah-Pocah is an affordable luxury item. But with the jewelry, the items can be substantially more costly.

Q: Is it fair to say that some Pocah-Pocah jewelry costs thousands of dollars?

A: Yes, I think so.

Q: How about tens of thousands of dollars?

A: I think so.

Q: Hundreds of thousands of dollars?

A: I don't think so.

[...]

Q: While working at Pocah, you designed Pocah-Pocah merchandise?
A: Yes, I have designed various Pocah-Pocah products.
Q: Which Pocah-Pocah products have you designed?
A: I designed various Pocah-Pocah lines, including some of its lines of blind box plushes. I also designed a line of toy vehicles for the Pocah-Pocah plushes.
Q: How long did you design Pocah-Pocah characters and merchandise?
A: Since about 2006. It's still part of my job.
Q: Wait. As the Director of Automotive Design, you still design characters and merchandise?
A: Yes, less so. But I still enjoy it. So I still work on some character and merchandise design.
Q: Let's talk about automotive design. How did Pocah decide to go into the car business?
A: Dr. D'Aulaire's interests include automotive design. Mine do as well. In 2010, we came up with the idea of a Pocah-Car.
Q: Whose idea was it to make a Pocah-Car?
A: Dr. D'Aulaire and I came up with the idea.
Q: What inspired you?
A: In 2010, the Pocah-Pocah was already very successful. We also had other successful lines of characters. We wanted to provide people an immersive driving experience. Dr. D'Aulaire's parents were auto designers. So were mine. So both of us had an interest in automotive design.
Q: What vehicles, if any, inspired you?
A: A good number. European microbus models from the 1950's to 1960's. American roadsters from early 1960's. They were distinctive. I mentioned that I had designed toy cars for Pocah-Pocah toys, so my prior designs were certainly an influence.
Q: You used the term immersive. What did you mean by that?
A: Pocah wants to create an immersive environment for the driver

and passengers. I mentioned European microbus vehicles from the 1950's and 1960's. It's a very special environment to be in one of those vehicles. We want to create and control the environment. The Pocah-Car is an electric vehicle, so that sets it apart in a way. It also includes touch-screen entertainment, so we wanted to ensure that the entertainment would also fit with the Pocah ecosystem. Like with our Pocah-Pocah collectibles, we are particular about the experience.

Q: And that particularity extends to the repairs and maintenance?

A: Yes, it does. We wanted to ensure, for instance, that the consumer gets authorized parts and service. That ensures quality control. It also promotes safety.

Q: It also enables Pocah to make more money, doesn't it?

A: Yes, but going into the automotive market was a major investment. Moreover, Pocah priced the Pocah-Car to be competitive. We could have charged a lot more up front. The expense of the maintenance is not high. The Pocah-Car is priced like other entry level EVs.

Q: Why else does Pocah want to control the services?

A: It has to do with the ecosystem. We're considering different customization options for the Pocah-Car. But we want to determine what works with Pocah designs.

Q: From a mechanical engineering standpoint, the Pocah-Car is similar to other EVs, isn't it?

Q: You'd need to speak with another Pocah witness, but in general, the engineering is comparable.

Q: What evidence do you have that Pocah parts are safer than third party component parts?

A: You'd need to speak with other Pocah engineers and likely the third-party engineers.

Q: How much higher are Pocah services?

A: I'd estimate 20 to 35% above an independent body repair shop.

Q: How long does a Pocah-Car battery last?
A: I'm not sure. When we released the Pocah-Car, we did not have a good grasp of it. My understanding is that it depends on multiple factors, like temperature, charging habits, driving habits.
Q: Do you have a ballpark estimate?
A: Maybe 100,000 to 200,000 miles.
Q: Does Pocah disclose that battery life to the public?
A: No, because it depends on many factors.
Q: How much does it cost to maintain, repair, and service a Pocah car over its life span?
A: It depends on many factors.
Q: If you were a customer, how would you estimate the service costs?
A: I'd look at the Pocah materials. If I had more questions, I'd check with Pocah and maybe third-party forums.
Q: But how reliable is a third-party forum?
A: It depends.
Q: Does Pocah provide its customers with collectible merchandise with Its automobile service?
A: Yes, it was a fun idea. Consumers really seem to enjoy these collectibles. The merchandise includes Pocah-Pocah characters and little cars.
Q: Why is Pocah bundling merchandise with its auto services?
A: It's a more enjoyable experience for the consumer.
Q: Doesn't it make it harder for the consumer to determine the pricing of the EV service and repairs?
A: Not really. Pocah customers are generally knowledgeable about Pocah products, so they can figure out the pricing.

*** END OF EXCERPTS ***

Dr. Annie Lucas, having been duly sworn, testified as follows:

EXAMINATION

*** LINES OMITTED ***

BY Ms. Mary Capri, Attorney General's Office, State of Gilesead

Q: Dr. Lucas, what is your title at Tiana Technologies?

A: I am the Chief Executive Officer

Q: How long have you been the CEO at Tiana?

A: Beginning in 2015.

Q: How long have you worked for Tiana?

A: Since 2000.

Q: When was Tiana founded?

A: 2000.

Q: Have you worked at Tiana since the beginning?

A: Yes.

Q: Tell us about the origin of Tiana.

A: Tiana was a technology start-up that was founded in a garage. It began as a regular internet website that sold merchandise. Tiana sells both its own goods and its third parties' goods.

Q: Why does Tiana sell third parties' goods?

A: It increases the consumers' choices.

Q: In general, does Tiana seek to broaden competition?

A: Yes, certainly.

Q: Does Tiana sell automobile parts?

A: Yes. That's a part of Tiana's business.

Q: Is it important to Tiana to sell auto parts for as many models as possible?

A: Yes, to increase consumer choice.

Q: Does Tiana provide auto repair services?

A: Yes, sometimes. Tiana has experimented with various retail environments. Automotive repair is one of the areas.
Q: Is auto repair a good business for Tiana?
A: It's a bit early for us to say.
Q: Why is Tiana interested in competing in auto repair?
A: Well, a lot of folks at Tiana love cars. It's a bit of a passion project for some of us. In addition, since at least 2000, Tiana has acknowledged that the economy has been tough for many Tiana customers. Many consumers are lengthening the time period between automotive purchases. Auto repair can help our customers.
Q: Are you familiar with Pocah?
A: Yes.
Q: What is Pocah?
A: Pocah is a company that designs and sells collectibles, such as little plush monsters called Pocah-Pocahs. They have eleven teeth.
Q: Are you a fan of Pocah-Pocahs?
A: Yes. My family members are fans too. They're cute.
Q: Have you purchased a Pocah-Pocah?
A: Yes. So have other family members.
Q: When did you first get a Pocah-Pocah?
A: A long time ago. Maybe 2012.
Q: Why did you buy a Pocah-Pocah?
A: Pocah-Pocahs are adorable. They're really popular.
Q: Do you view other plush collectibles as substitutes?
A: Not really. Consumers are particular. Copy-cats are not acceptable alternatives. For instance, Tiana works hard to ensure that counterfeit Pocah-Pocahs are not on the website.
Q: Let's turn to the Pocah-Car. Does Tiana own Pocah-Cars?
A: Yes, I'd estimate that Tiana owns about 20-30 Pocah-Cars.

Q: Why did Tiana purchase Pocah-Cars?
A: They're company cars. Like the collectibles, Pocah-Cars are really cute. They're also fun EVs to drive.
Q: Why did you decide to buy Pocah-Cars for Tiana?
A: It was an easy decision. Due to the popularity of Pocah collectibles, a lot of Tiana employees wanted us to buy Pocah cars.
Q: Is the Pocah Car an entry-level EV?
A: Yes.
Q: Did you consider buying any other entry-level EV?
A: No, Tiana employees wanted Pocah-Cars because of the connection to the Pocah characters and ecosystem. Before making the purchase, Tiana sent out a survey comparing Pocah-Cars to other alternative models. The results were overwhelming that Tiana employees wanted Pocah-Cars.
Q: Were you involved in the nuts and bolts of purchasing the Pocah-Cars?
A: No. But I looked at the Pocah website.
Q: Let's turn to Pocah-Car service and repairs. How does it work?
A: After Tiana purchased the Pocah-Cars, we learned that Pocah set rigid controls on the repair, maintenance, and service of Pocah Cars. As the consumer, we don't have the right to repair the Pocah cars.
Q: Why is that a problem?
A: It should be like any other automobile. It's common sense.
Q: What's your understanding of the Pocah service policies?
A: My general understanding is that all repairs have to go through Pocah. They control the whole process.
Q: So Pocah-Car customers cannot go to an independent repair shop?
A: I don't think so. My understanding is that Pocah decides.
Q: You understand that Pocah is particular about its product design?

A: Yes.
Q: So why can't Pocah decide what service gets performed?
A: It's a car. People should have the right to decide how the cars get repaired.
Q: But doesn't Pocah have contractual terms about service?
A: My understanding is that it's in the clickwrap contracts. I didn't review them.
Q: When purchasing Pocah-Cars, did you have any understanding about the cost of service over the life of the vehicle?
A: No, Pocah's promotions were focused on the aesthetic and fun of the Pocah car. When I reviewed the Pocah website and other information, I saw very little about the specs and potential repair costs. For instance, it's hard to figure out how much a bumper would cost. Or the life span of the EV battery. I don't know whether the battery life would be 50,000 miles, 100,000 miles, 200,000 miles, 300,000 miles, and so on.
Q: Do you feel that Pocah-Car marketing is deceptive?
A: I guess so. It's certainly incomplete.
Q: What else is wrong with Pocah-Car service?
A: I've heard that service can be slow. The pricing can be hard to discern. One reason is that Pocah often provides with the automobile service some Pocah merchandise as well. While it's articulated as a promotion or a gift, the consumer pays for it somehow.
Q: But can't the consumer calculate the price of the collectibles and deduct it from the service price?
A: Yes, but the prices of Pocah merchandise fluctuates. Some merchandise is very popular and resells at high prices. Some does not.
Q: You agree that Pocah has an interest in ensuring that its vehicles are safe and well maintained?

A: Maybe. But the consumers should have the right to maintain the vehicle. It's similar to the Pocah-Pocah plushes. People dress up the Pocah-Pocah collectibles in custom clothes and accessories. That's permitted.

Q: Are you familiar with the term, "affordable luxury?"

A: Yes.

Q: Do you think Pocah-Pocah collectibles are affordable luxury?

A: Yes.

Q: Are Pocah-Cars affordable luxury?

A: Sort of. They're somewhat more expensive than other entry-level EVs. So the premium is not huge.

Q: What's the premium?

A: I don't recall.

Q: Doesn't Pocah have the right to make more money on the repair side?

A: Within limits. I'd agree Pocah has the right to compete. But its contractual service policies are extreme.

Q: Does Tiana want to compete with Pocah in the auto service business?

A: Maybe. Tiana has not decided.

Q: Does Tiana want to compete with Pocah in the auto parts business?

A: Yes.

Q: In other auto repair business, has Tiana made promotions packaging collectibles with its auto service?

A: For a short while. Tiana tried it, but it did not seem to be a worthwhile strategy.

Q: What type of collectibles did Tiana provide?

A: We'd let the customer decide. It's like the dentist office with a box of toys for the kid patients.

Q: Did Tiana provide Pocah-Pocahs as one of the options?

A: I don't know. Could be.

Q: Do you believe that Pocah has kept out competition in the Pocah-Car service and parts businesses?

A: Yes, absolutely.

*** END OF EXCERPTS ***