Statement on Ouster's Ongoing Enforcement of its Patents Against Hesai

August 28, 2023

SAN FRANCISCO--(BUSINESS WIRE)-- Ouster, Inc. (NYSE: OUST) (“Ouster” or the “Company”), a leading provider of high-performance lidar sensors, issued the following statement today relating to the Company’s complaint filed with the U.S International Trade Commission (“ITC”) and the investigation into the unfair trade practices of Hesai Group (Nasdaq: HSAI) and related entities (ITC Investigation):

The presiding Administrative Law Judge (ALJ) recommended, following a motion by Hesai, that the investigation be terminated to allow arbitrators time to decide whether Ouster is required to arbitrate based on a prior Settlement Agreement between Velodyne and Hesai entered in 2020, before Ouster and Velodyne merged in February 2023. The initial determination is not a decision on the merits of Ouster’s ongoing patent infringement case against Hesai.

The motion is the latest attempt by Hesai to avoid a ruling regarding whether its imported lidar products infringe Ouster’s intellectual property rights and part of a larger pattern of delay, including invoking the Chinese Data Security Law during discovery.

Ouster invented digital lidar technology following an engineering breakthrough and holds one of the largest patent families in the lidar industry. Ouster's complaint sets forth how, after the market shifted toward Ouster’s digital lidar, Hesai stole Ouster’s revolutionary patented technologies and incorporated them into Hesai’s competing products.

Ouster previously filed a patent infringement action in the United States District Court for the District of Delaware. That case is stayed pending the ITC investigation. Should the ITC investigation be terminated, the mandatory stay in the District Court of Delaware will be lifted and the patent infringement case will commence.

Ouster welcomes that the investigation will now be reviewed by the ITC Commissioners. The company will continue to vigorously enforce its patents and seeks to bar all infringing products from the United States.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current plans, estimates and expectations of management that are subject to various risks and uncertainties that could cause actual results to differ materially from such statements. The inclusion of forward-looking statements should not be regarded as a representation that such plans, estimates and expectations will be achieved. Words such as “anticipate,” “expect,” “project,” “intend,” “believe,” “may,” “will,” “should,” “plan,” “could,” “may,” “continue,” “target,” “contemplate,” “estimate,” “forecast,” “guidance,” “predict,” “possible,” “potential,” “pursue,” “likely,” and the negative of these terms and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions. All statements, other than historical facts, including statements regarding Ouster’s expectations regarding the ITC investigation as well as Ouster’s ongoing litigation strategy. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including, but not limited to, risks related to Ouster’s ability to adequately protect and enforce its intellectual property rights, including as relates to Hesai Group; and other important factors discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, that are further updated from time to time in the Company’s other filings with the SEC. Readers are urged to consider these factors carefully and in the totality of the circumstances when evaluating these forward-looking statements, and not to place undue reliance on any of them. Any such forward-looking statements represent management’s reasonable estimates and beliefs as of the date of this press release. While Ouster may elect to update such forward-looking statements at some point in the future, it disclaims any obligation to do so, other than as may be required by law, even if subsequent events cause its views to change.

For Investors
investors@ouster.io

For Media
press@ouster.io

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