ITC Institutes Investigation into Hesai's Unlawful Use of Ouster's Patents

May 18, 2023

Hesai's infringement of five Ouster patents to be investigated by the U.S. International Trade Commission

Hesai's infringing lidar products may be barred from the United States

SAN FRANCISCO--(BUSINESS WIRE)-- Ouster, Inc. (NYSE: OUST) ("Ouster" or the "Company"), a leading provider of high-performance lidar sensors for the automotive, industrial, robotics, and smart infrastructure industries, announced today that the U.S. International Trade Commission (ITC) has voted to institute an investigation into the unfair trade practices of Hesai Group (Nasdaq: HSAI) based in Shanghai, China, and related entities.

The unfair trade practices to be investigated relate to the unlawful importation of Hesai lidar sensors that infringe on five valid and enforceable patents owned by Ouster relating to lidar technology (U.S. Patents 11,175,405; 11,178,381; 11,190,750; 11,287,515; and 11,422,236). This investigation is a result of the complaint filed by Ouster on April 11, 2023. Ouster's complaint requests that the ITC issue a limited exclusion order and a cease and desist order against Hesai and related entities to bar the importation into the United States of Hesai's lidar devices, components, and products that are alleged to infringe Ouster's patents.

Hesai has had multiple patent infringement claims filed against it, while Ouster holds one of the largest patent families in the lidar industry, with patents found valid and enforceable. The Company intends to enforce its patents until the infringing products are barred. Within the next two months, the assigned administrative law judge will set a target date for completing the investigation.

"We are confident in our complaint against Hesai, and happy to see that the ITC recognizes its merit and decided to institute an investigation," said Ouster CEO Angus Pacala. "There is an ongoing track-record of IP theft by Chinese companies that should not be tolerated. It diminishes U.S. innovation and weakens our domestic industry, particularly for critical and emerging technologies like lidar. Ouster intends to enforce its patents until all imported products that infringe are barred."

About Ouster

Ouster (NYSE: OUST) is a leading global provider of high-resolution scanning and solid-state digital lidar sensors, Velodyne Lidar sensors, and software solutions for the automotive, industrial, robotics, and smart infrastructure industries. Ouster is on a mission to build a safer and more sustainable future by offering affordable, high-performance sensors that drive mass adoption across a wide variety of applications. With a global team and high-volume manufacturing, Ouster supports over 850 customers in approximately 50 countries. Ouster is headquartered in San Francisco, CA with offices in the Americas, Europe, Asia-Pacific, and the Middle East. For more information, visit www.ouster.com, or connect with us on Twitter or LinkedIn.

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 Ouster's management that are subject to various risks, assumptions 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 statements of historical fact, including statements regarding the Company's competitive market position and the Company's expectations regarding its patent infringement lawsuit against Hesai, constitute forward-looking statements. All forward-looking statements are subject to risks, assumptions and uncertainties that may cause actual results to differ materially from those that Ouster expected, including but not limited to, the Company's ability to adequately protect and enforce its intellectual property rights, risks associated with litigation, as well as the important factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, as updated by the Company's subsequent filings with the Securities and Exchange Commission. 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.

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