

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

	x	
AIP ACQUISITION LLC,	:	
	:	
Plaintiff,	:	
	:	
v.	:	C.A. No. _____
	:	
VERIZON COMMUNICATIONS, INC.,	:	
VERIZON DELAWARE LLC, and CELLCO	:	JURY TRIAL DEMANDED
PARTNERSHIP d/b/a VERIZON WIRELESS,	:	
	:	
Defendants.	::	
	x	

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff AIP Acquisition LLC (“AIP”) by way of this Complaint against Verizon Communications, Inc. (“Verizon Communications”), Verizon Delaware LLC (“Verizon Delaware”), and Cellco Partnership d/b/a Verizon Wireless (“Verizon Wireless”) (collectively “Verizon” or “Defendants”), hereby alleges with knowledge with respect to its own acts and upon information and belief with respect to all others:

PARTIES

1. AIP is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 2200 Fletcher Avenue, 5th Floor, Fort Lee, New Jersey 07024.

2. Verizon Communications is a Delaware corporation with its corporate headquarters at 140 West Street, New York, New York 10007. Verizon Communications may be served with process via its registered agent, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

3. Verizon Delaware is a wholly owned subsidiary of Verizon Communications and is a Delaware limited liability company with its principal place of business at 901 Tatnall Street, Wilmington, Delaware 19801. Verizon Delaware may be served with process via its registered agent, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

4. Verizon Wireless is a general partnership formed under the laws of the State of Delaware, with its principal place of business located at 1 Verizon Way, Basking Ridge, New Jersey 07920. Verizon Wireless may be served with process via its registered agent, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

JURISDICTION AND VENUE

5. This is a civil action for patent infringement arising under 35 U.S.C. §§ 100, *et seq.*, and in particular § 271.

6. This Court has exclusive subject matter jurisdiction over this action under 28 U.S.C. § 1338(a).

7. This Court has personal jurisdiction over Defendants because they are incorporated under the laws of the State of Delaware. Further, upon information and belief, Verizon has conducted and does conduct regular and ongoing business in Delaware. In addition, directly or through intermediaries (including distributors, agents, retailers, subsidiaries, affiliates, and others), Verizon has committed acts of patent infringement in Delaware, including making, using, offering for sale, and/or selling infringing communications products and/or services in Delaware.

8. Venue is proper under 28 U.S.C. §§ 1391(b) and 1400(b) because Defendants reside in this judicial district. In addition, Defendants regularly conduct business in Delaware and have made, used, offered to sell, and sold, and/or continue to make, use, offer to sell, and/or

sell products and/or services within Delaware, including without limitation, communications products and services which, upon information and belief, infringe AIP's patents in this District.

FACTUAL BACKGROUND

AIP and Its Patents

9. The members of AIP are former shareholders of Arbinet Corporation ("Arbinet"). Arbinet, a public company, was founded in 1996 by Alex Mashinsky, an entrepreneur and named inventor on over fifty patent applications. Since then, Mr. Mashinsky has launched several other successful telecommunications and transportation companies, including Transit Wireless, the exclusive provider of certain wireless services to commuters in the New York City subway system.

10. Arbinet is a leading wholesale international voice and data communications service provider, operating an electronic market for cost-effective and efficient trading, routing, and settling of communications capacity. Arbinet owned a significant telecommunications patent portfolio, including a number of Mr. Mashinsky's patents.

11. In late 2010, Arbinet was acquired by another entity. Subsequently, a majority of Arbinet shareholders organized AIP, and acquired Arbinet's portfolio of patents and patent applications. The patents in suit are part of this portfolio.

12. Five of AIP's communications patents are at issue here. These patents concern methods and systems for efficient communication and call processing. Mr. Mashinsky is the named inventor on all of these patents.

13. On December 17, 2002, the United States Patent and Trademark Office issued United States Patent No. 6,496,579 ("the '579 Patent") on, *inter alia*, connection of a call between a calling location and a called location through use of a control location, in which

information is received at a control location for a calling telephone equipment and a called telephone equipment; a determination is made whether a call from the calling location to the called location should be connected via a telecommunication network; and the call is connected from the calling party access number to the called party access number via the telecommunication network. The '579 Patent is entitled METHOD OF AND SYSTEM FOR EFFICIENT USE OF TELECOMMUNICATION NETWORKS. A copy of the '579 Patent is attached as Exhibit A.

14. On June 20, 2000, the United States Patent and Trademark Office issued United States Patent No. 6,078,654 ("the '654 Patent") on, *inter alia*, connection of a call between a calling location and a called location through use of a control location, in which a transmission path is selected in a manner transparent to the called party and calling party; information is received at a control location for a calling telephone equipment and a called telephone equipment; a determination is made whether a call from the calling location to the called location should be connected via a telecommunication network; and the call is connected from the calling party access number to the called party access number via the telecommunication network. The '654 Patent is entitled METHOD OF AND SYSTEM FOR EFFICIENT USE OF TELECOMMUNICATION NETWORKS. A copy of the '654 Patent is attached as Exhibit B.

15. On February 13, 2001, the United States Patent and Trademark Office issued United States Patent No. 6,188,756 ("the '756 Patent") on, *inter alia*, the use of a communication network involving receiving a calling party access number and a called party access number; checking a status on each of a plurality of locations associated with the called party access number; identifying which location is accessible by the called party; and routing the communication accordingly and converting the communication into a compatible format. The

'756 Patent is entitled EFFICIENT COMMUNICATION THROUGH NETWORKS. A copy of the '756 Patent is attached as Exhibit C.

16. On May 25, 2010, the United States Patent and Trademark Office issued United States Patent No. 7,724,879 (“the '879 Patent”) on the communication between two telecommunication nodes involving a transmission that includes, *e.g.*, a call setup request or signaling messages in a telecommunication protocol over a telephone network; converting the transmission to an internet protocol; transmitting the transmission over a data network; converting the transmission to a telecommunication protocol; and transmitting the transmission to the second telecommunication node. The '879 Patent is entitled EFFICIENT COMMUNICATION THROUGH NETWORKS. A copy of the '879 Patent is attached as Exhibit D.

17. On September 11, 2007, the United States Patent and Trademark Office issued United States Patent No. 7,269,247 (“the '247 Patent”) on the communication between two telecommunication nodes involving a transmission that includes, *e.g.*, a call setup request or signaling messages in a telecommunication protocol over a telephone network; converting the transmission to an internet protocol; transmitting the transmission over the Internet; converting the transmission to a telecommunication protocol; and transmitting the transmission to a second telecommunication node. The '247 Patent is entitled EFFICIENT COMMUNICATION THROUGH NETWORKS. A copy of the '247 Patent is attached as Exhibit E.

18. AIP is the assignee of the '579, '654, '756, '879, and '247 Patents (collectively, “the Patents”).

Verizon's Infringing Products and/or Services

19. Defendants individually, or with others, make, use, offer for sale, and/or sell within the United States at least the following infringing communications products and/or services:

a. Verizon Wireless Services, Verizon Wireless Home Phone Connect, Verizon 4G LTE Broadband Router with Voice, and Verizon Business Connection;

b. Verizon Wireless Network Extender, and Verizon Wireless Network Extender for Business; and

c. Verizon FiOS Digital Voice.

20. The communications products and/or services identified in Paragraph 19(c) provide connection of a call between a calling location and a called location through use of a control location, in which information is received at a control location for a calling telephone equipment and a called telephone equipment; a determination is made whether a call from the calling location to the called location should be connected via a telecommunication network; and the call is connected from the calling party access number to the called party access number via the telecommunication network.

21. The communications products and/or services identified in Paragraph 19(c) provide connection of a call between a calling location and a called location through use of a control location, in which a transmission path is selected in a manner transparent to the called party and calling party; information is received at a control location for a calling telephone equipment and a called telephone equipment; a determination is made whether a call from the calling location to the called location should be connected via a telecommunication network; and

the call is connected from the calling party access number to the called party access number via the telecommunication network.

22. The communications services identified in Paragraph 19(c) provide the use of a communication network involving receiving a calling party access number and a called party access number; checking a status on each of a plurality of locations associated with the called party access number; identifying which location is accessible by the called party; and routing the communication accordingly and converting the communication into a compatible format.

23. The communications products and/or services identified in Paragraphs 19(a)-(c) provide communication between two telecommunication nodes involving a transmission that includes a call setup request or signaling messages in a telecommunication protocol over a telephone network; converting the transmission to an internet protocol; transmitting the transmission over a data network; converting the transmission to a telecommunication protocol; and transmitting the transmission to the second telecommunication node.

24. The communications products and/or services identified in Paragraph 19(b) provide communication between two telecommunication nodes involving a transmission that includes a call setup request or signaling messages in a telecommunication protocol over a telephone network; converting the transmission to an internet protocol; transmitting the transmission over the Internet; converting the transmission to a telecommunication protocol; and transmitting the transmission to a second telecommunication node.

25. Verizon has entered into at least two commercial agreements for the exchange of voice traffic in IP format. Specifically, Verizon has concluded IP interconnection agreements with Comcast and Vonage, making it “more efficient for both parties to exchange [] traffic in IP

format, which allows Verizon to exchange FiOS Digital Voice traffic at a small number of mutually agreed upon points of interconnection for the entire country.” (Exhibit F, at 1)

26. Verizon is currently “working to get ready for IP VoIP interconnection with other providers.” (*Id.* at 1)

27. According to Verizon, the Verizon Wireless Network Extender “enhances indoor coverage to provide better service for [] Verizon wireless mobile device[s]. It’s an extension of [Verizon’s] network placed directly in [a customer’s] house or small business office. The Verizon Network Extender is compatible with all Verizon Wireless devices and works like a miniature tower. It plugs into [a customer’s] existing high-speed Internet connection to communicate with the Verizon Wireless network, which makes it easy to install.” (Exhibit G)

28. The Verizon Wireless Network Extender “work[s] with most broadband or DSL connections (from Verizon or another Internet service provider).” (*Id.*)

29. The Verizon Wireless Network Extender is especially made or especially adapted for use in an infringement of the ’247 Patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.

30. At least some Verizon customers are provided the Verizon Wireless Network Extenders by Verizon. (*See id.*)

31. Discovery may show that Defendants individually, or with others, make, use, offer for sale, and/or sell additional infringing communications products and/or services.

COUNT I
(Infringement of the '579 Patent)

32. AIP repeats and re-alleges the preceding paragraphs 1-31 as if fully set forth herein.

33. Defendants, through at least the products and/or services identified in Paragraph 19(c) have been and still are infringing the '579 Patent under at least 35 U.S.C. § 271(a), literally or under the doctrine of equivalents, by making, using, offering to sell, and/or selling the invention of one or more claims of the '579 Patent, including at least Claims 1 and 5 of the '579 Patent. As a direct and proximate result of Defendants' acts of infringement, AIP has been, is being, and will be damaged. Consequently, AIP is entitled to compensation for its damages from Defendants under 35 U.S.C. § 284 in an amount that cannot presently be quantified but will be ascertained through discovery or at trial.

COUNT II
(Infringement of the '654 Patent)

34. AIP repeats and re-alleges the preceding paragraphs 1-33 as if fully set forth herein.

35. Defendants, through at least the products and/or services identified in Paragraph 19(c) have been and still are infringing the '654 Patent under at least 35 U.S.C. § 271(a), literally or under the doctrine of equivalents, by making, using, offering to sell, and/or selling the invention of one or more claims of the '654 Patent, including at least Claims 1 and 5 of the '654 Patent.

36. As a direct and proximate result of Defendants' acts of infringement, AIP has been, is being, and will be damaged. Consequently, AIP is entitled to compensation for its

damages from Defendants under 35 U.S.C. § 284 in an amount that cannot presently be quantified but will be ascertained through discovery or at trial.

COUNT III
(Infringement of the '756 Patent)

37. AIP repeats and re-alleges the preceding paragraphs 1-36 as if fully set forth herein.

38. Defendants, through at least the products and/or services identified in Paragraph 19(c) have been and still are infringing the '756 Patent under at least 35 U.S.C. § 271(a), literally or under the doctrine of equivalents, by making, using, offering to sell, and/or selling the invention of one or more claims of the '756 Patent, including at least Claim 8 of the '756 Patent.

39. As a direct and proximate result of Defendants' acts of infringement, AIP has been, is being, and will be damaged. Consequently, AIP is entitled to compensation for its damages from Defendants under 35 U.S.C. § 284 in an amount that cannot presently be quantified but will be ascertained through discovery or at trial.

COUNT IV
(Infringement of the '879 Patent)

40. AIP repeats and re-alleges the preceding paragraphs 1-39 as if fully set forth herein.

41. Defendants, through at least the services identified in Paragraphs 19(a)-(c), have been and still are infringing the '879 Patent under at least 35 U.S.C. § 271(a), literally or under the doctrine of equivalents, by making, using, offering to sell, and/or selling the invention of one or more claims of the '879 Patent, including at least Claim 1 of the '879 Patent.

42. As a direct and proximate result of Defendants' acts of infringement, AIP has been, is being, and will be damaged. Consequently, AIP is entitled to compensation for its

damages from Verizon under 35 U.S.C. § 284 in an amount that cannot presently be quantified but will be ascertained through discovery or at trial.

COUNT V
(Infringement of the '247 Patent)

43. AIP repeats and re-alleges the preceding paragraphs 1-42 as if fully set forth herein.

44. Defendants, through at least the products and/or services identified in Paragraph 19(b) have been and still are infringing the '247 Patent under at least 35 U.S.C. § 271(a), literally or under the doctrine of equivalents, by making, using, offering to sell, and/or selling the invention of one or more claims of the '247 Patent, including at least Claim 1 of the '247 Patent. As a direct and proximate result of Defendants' acts of infringement, AIP has been, is being, and will be damaged. Consequently, AIP is entitled to compensation for its damages from Defendants under 35 U.S.C. § 284 in an amount that cannot presently be quantified but will be ascertained through discovery or at trial.

DEMAND FOR JURY TRIAL

AIP requests a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, AIP respectfully asks the Court for the following relief:

- (i) A judgment declaring that Verizon has infringed the '579 Patent as alleged herein;
- (ii) A judgment declaring that Verizon has infringed the '654 Patent as alleged herein;
- (iii) A judgment declaring that Verizon has infringed the '756 Patent as alleged herein;
- (iv) A judgment declaring that Verizon has infringed the '879 Patent as alleged herein;
- (v) A judgment declaring that Verizon has infringed the '247 Patent as alleged herein;
- (vi) A judgment awarding AIP damages under 35 U.S.C. § 284;

- (vii) A judgment and order granting supplemental damages for any continuing post-verdict infringement up until entry of the final judgment with an accounting as needed;
- (viii) A judgment and order awarding AIP pre-judgment and post-judgment interest on the damages awarded; and
- (ix) Such other and further relief as the Court deems just and equitable.

Dated: April 22, 2014

BAYARD, P.A.

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