

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

Civil Action No. 14-cv-1631

CELLPORT SYSTEMS, INC.,

Plaintiff,

v.

BMW OF NORTH AMERICA, L.L.C. (“BMW”), and  
BAYERISCHE MOTOREN WERKE AG,  
a Foreign Corporation,

Defendants.

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**COMPLAINT FOR PATENT INFRINGEMENT AND JURY DEMAND**

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Plaintiff Cellport Systems, Inc., by counsel Ridley, McGreevy & Winocur P.C. and Prebeg, Faucett & Abbott PLLC, for its Complaint against BMW of North America, L.L.C., and Bayerische Motoren Werke AG, alleges as follows:

**THE PARTIES**

1. Plaintiff Cellport Systems, Inc. (hereinafter “Cellport”) is a Colorado Corporation with its corporate headquarters and principal place of business at 885 Arapahoe Avenue, Boulder, Colorado 80302.

2. Upon information and belief, Bayerische Motoren Werke AG is a German corporation with its principal place of business at Petuelring 130, 80788 Munich, Germany.

3. Upon information and belief, BMW of North America, L.L.C. is a wholly-owned subsidiary of Bayerische Motoren Werke AG, and is also a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 300 Chestnut Ridge Rd, Woodcliff Lake, New Jersey 07677. BMW of North America, L.L.C. may be served through its registered agent, The Corporation Company, 1675 Broadway, Suite #1200, Denver, Colorado 80202.

4. Throughout this pleading, and unless specifically noted otherwise, Defendants Bayerische Motoren Werke AG and BMW of North America, L.L.C. will be referenced collectively as the “Defendants.” The term “Defendants” also includes the Defendants’ employees, agents, and all other persons or entities that the Defendants direct and/or control.

### **THE PATENTS**

#### **U.S. Patent No. 5,479,479**

5. On December 26, 1995, United States Patent No. 5,479,479, entitled “Method and Apparatus for Transmission of and Receiving Signals Having Digital Information Using an Air Link” (the “‘479 patent”) was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the ‘479 patent is attached as Exhibit A.

6. Pursuant to 35 U.S.C. § 282, the ‘479 patent is presumed valid.

7. Cellport has marked Cellport’s own products, if any, in accordance with 35 U.S.C. § 287 and is thus entitled to past damages.

8. Cellport is sole holder of the entire right, title, and interest in the ‘479 patent, including the right to recover damages for past, present, and future infringement.

**U.S. Patent No. 5,732,074**

9. On March 24, 1998, United States Patent No. 5,732,074, entitled “Mobile Portable Wireless Communication System” (the “‘074 patent”) was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the ‘074 patent is attached as Exhibit B.

10. Pursuant to 35 U.S.C. § 282, the ‘074 patent is presumed valid.

11. Cellport has marked Cellport’s own products, if any, in accordance with 35 U.S.C. § 287 and is thus entitled to past damages.

12. Cellport is sole holder of the entire right, title, and interest in the ‘074 patent, including the right to recover damages for past, present, and future infringement.

**JURISDICTION AND VENUE**

13. This action arises under the patent laws of the United States, Title 35 United States Code, particularly §§ 271 and 281. This Court has jurisdiction over a claim for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

14. Personal jurisdiction exists generally over each of the Defendants because each Defendant has sufficient minimum contacts with the forum as a result of business conducted within the State of Colorado and within the District of Colorado. Personal jurisdiction also exists specifically over each of the Defendants because each Defendant, directly or through subsidiaries or intermediaries, imports, makes, uses, offers for sale, or sells products or services within the State of Colorado and within the District of Colorado, that infringe the patents-in-suit.

15. On information and belief, Defendants derive substantial revenue from the sale of the BMW Vehicles and Remote Systems referred to below in paragraph 20, et seq., to companies

organized and existing under the laws of the State of Colorado, and/or the Defendants derive substantial revenue from products sold or distributed within this District.

16. On information and belief, the Defendants derive substantial revenue from interstate and international commerce.

17. On information and belief, the Defendants expect or should reasonably expect their actions to have consequences within this District.

18. The above acts caused and continue to cause injury to Cellport within this District.

19. Venue is proper in this Court under Title 28 United States Code §§ 1391(b)–(c) and 1400(b).

### **ACCUSED PRODUCTS AND SYSTEMS**

20. The Defendants have been and/or are now making, using, selling, offering for sale within the United States, or importing into the United States, at least the following automotive products: F10 5 Series Sedan, Model 535iX (at least model year 2010) as well as other vehicles containing telematics communication modules similar to BMW Part No. 84.10-9 230 731-01 (called by the Defendants a “Combox,” (or sometimes as an “embedded telematics device”) hereinafter the “Combox”) (hereinafter the “BMW Vehicles”).

21. The Defendants have been and/or are now making, using, selling, offering for sale within the United States, or importing into the United States, the BMW Assist Safety® system (hereinafter the “Remote System”) which communicates with the BMW Vehicles.

22. The Defendants have been and/or are now making, using, selling, providing, offering for sale within the United States, or importing into the United States, the My BMW

Remote App (hereinafter the “Remote App”) which communicates with the Remote System and/or the BMW Vehicles.

23. Upon information and belief, many sales and/or leases of a new and/or used BMW Vehicle in the United States come with four years of service (paid for by BMW) in relation to the Remote System and/or the Remote App and most BMW Vehicle users enter into a contract for such. Defendants also provide this service, for a fee, after four years.

24. The BMW Vehicles in conjunction with the Remote System and/or the Remote App constitute the Accused System.

### **KNOWLEDGE OF THE PATENTS**

25. The Defendants were willfully blind toward, or knew of, the ‘479 patent by virtue of the ‘479 patent being well known in the industry, having been cited by at least 193 patents and/or patent applications, more than 160 of which are issued U.S. Patents.

26. The Defendants were willfully blind toward, or knew of, the ‘479 patent by virtue of the ‘479 patent being cited on the face of the ‘074 patent, which the Defendants were willfully blind toward, or knew of.

27. The Defendants were willfully blind toward, or knew of, the ‘479 patent by virtue of the ‘479 patent being cited during the prosecution of EP1127746A2 which application was originally assigned to Bayerische Motoren Werke Aktiengesellschaft.

28. The Defendants were willfully blind toward, or knew of, the ‘074 patent and the ‘479 patent by virtue of Cellport’s many presentations to the automotive industry, including a 2003 Telematics Europe presentation. Additionally, at least Martin Stahl (employee of BMW, Ag), Emily Clark (employee of BMW of North America, LLC), and Robert Passaro (employee

of BMW of North America, LLC), met with at least one Cellport employee and one or more of them were aware of Cellport's patented technology.

29. The Defendants were willfully blind toward, or knew of, the '074 patent at least as early as being served with the Original Complaint in this case and/or receiving a Request for Waiver of Service.

30. The Defendants were willfully blind toward, or knew of, the '074 patent by virtue of the '074 patent being well known in the industry, having been cited by at least 650 patents and/or patent applications, more than 580 of which are issued U.S. Patents.

31. The Defendants were willfully blind toward, or knew of, the '074 patent by virtue of the '074 patent being cited during the prosecution of U.S. Patent No. 8,456,275 and U.S. Pat. App. No. 12/370,071 which patent and application were originally assigned to Bayerische Motoren Werke Aktiengesellschaft.

32. Accordingly, the Defendants actual knowledge or willful blindness of the '479 patent and the '074 patent have evidentiary support and will likely have additional evidentiary support after a reasonable opportunity for further investigation and discovery.

**COUNT I: FIRST CLAIM FOR RELIEF**

**(INFRINGEMENT OF U.S. PATENT NO. 5,479,479)**

33. Plaintiff incorporates by reference all of its previous allegations.

**Direct Infringement of the '479 Patent**

34. By using and/or testing the Accused System, the Defendants have directly infringed at least Claim 1 of the '479 patent, either literally or by equivalents.

35. By so making, using, selling, or offering to sell within the United States, or importing into the United States at least the aforementioned BMW Vehicles, the Defendants have directly infringed at least Claim 17 of the '479 patent, either literally or by equivalents.

**Defendants' Liability for Direct Infringement of at Least Claim 1 of the '479 Patent.**

36. The Defendants make, design, manufacture, import, and/or sell the BMW Vehicles.

37. The BMW Vehicles are designed to automatically perform data querying operations as to the status and functioning of the BMW Vehicle and to transmit the results of those queries automatically to the Defendants.

38. The BMW Vehicles are designed to automatically respond to a query (or a command) from the Defendants and perform data querying operations (or execute the command) in relation to the status and/or functioning of the BMW Vehicle and to transmit the results of those queries (or the execution of the command) automatically to the Defendants.

39. The BMW Assist terms of service require a BMW Vehicle user to properly maintain the BMW Vehicle and the embedded telematics device and to follow all instructions related to the use of the BMW Assist services and the embedded telematics device.

40. It is a violation of the BMW Assist terms of service agreement for a BMW Vehicle user to not comply with any reasonable requirement or restriction requested or imposed by BMW.

41. Upon information and belief, it is a violation of warranty and/or service agreements related to the BMW Vehicle and/or the Remote System for the BMW Vehicle user to modify the components of the BMW Vehicle that communicate with the Remote System or to

change the behavior of the BMW Vehicle with respect to communicating with the Remote System.

42. A user of a BMW Vehicle directly infringes at least Claim 1 of the '479 patent, either literally or by equivalents, when the BMW Vehicle performs the acts recited in at least Claim 1, either literally or under the doctrine of equivalents.

43. Upon information and belief, users of BMW Vehicles, as well as their Vehicles, have performed the acts recited herein and have thus infringed at least Claim 1, either literally or by equivalents. When a BMW Vehicle is operated, the Defendants direct and control infringing acts, and the operation thereof, to perform the acts cited above.

44. Accordingly, the Defendants direct and control the execution of the method of at least Claim 1 and are thus vicariously liable for the BMW Vehicle users' acts of infringement, either literally or under the doctrine of equivalents.

**Inducement of Infringement of the '479 Patent**

45. The Defendants were aware, willfully blind, or knew of the '479 patent for at least the reasons discussed above.

46. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the BMW Vehicles were, are, and continue to be designed to automatically perform data querying operations as to the status and functioning of the BMW Vehicle and to transmit the results of those queries automatically to the Defendants.

47. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the Defendants have intentionally, actively, and knowingly advertised about the Remote System and the Remote App and/or invited, enticed, lead on, prevailed on, moved by persuasion, caused, and/or influenced users and/or purchasers of the BMW Vehicles to enter into service contracts in

relation to the Remote System and/or Remote App and to use and/or benefit from those services at least by including services in relation to the Remote System as part of the acquisition of a BMW Vehicle.

48. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the Defendants were willfully blind or knew that a user's BMW Vehicle and the Remote System and/or the Remote App would automatically communicate with each other, and that a BMW Vehicle would respond to a query (or a command) from the Defendants and perform data querying operations (or execute the command) as to the status and functioning of the Vehicle and transmit the results of those queries (or the execution of the command) automatically to the Defendants, at least after the user of the BMW Vehicle entered into a service contract in relation to the Remote System and/or Remote App.

49. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the Defendants were willfully blind or knew that the BMW Vehicles' acts described herein in relation to the Remote System and/or Remote App would, in conjunction with accident, maintenance, status, and/or service notifications that the BMW Vehicles are configured to automatically perform, directly infringe at least Claim 1 of the '479 patent, either literally or by equivalents.

50. Upon information and belief, users of BMW Vehicles have performed the acts recited herein and have infringed at least Claim 1, either literally or by equivalents.

51. For these reasons, Defendants are liable for inducing infringement of the '479 patent.

**Contributory Infringement of the '479 Patent**

52. At least for the reasons stated above, the Defendants were willfully blind towards, and/or knew of, the '479 patent.

53. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the Defendants have intentionally, actively, and knowingly offered to sell or sold BMW Vehicles within the United States or imported the BMW Vehicles into the United States.

54. One or more of said BMW Vehicles contain a communication "bus" with at least two peripheral devices and a Combox communicatively connected to the bus. Each Combox is configured (through distinct hardware, firmware, and/or software instructions (including prior, subsequent, modified, or related versions of such)) to, in conjunction with the bus and peripheral devices, perform the steps, literally or by equivalents, of at least Claim 1.

55. The communicatively connected Combox, bus, and peripheral devices, together, are a material or apparatus used in practicing a patented process, including at least Claim 1 of the '479 patent, either literally or through the doctrine of equivalents because the Combox, bus, and peripheral devices' actions in response to queries or commands from the Remote System and/or Remote App, in conjunction with their automatic communications with the Remote System, directly infringe, either literally or by equivalents, at least Claim 1 of the '479 patent by performing each of the claimed steps.

56. The communicatively connected Combox, bus, and peripheral devices are a material part of at least Claim 1 because the communicatively connected Combox, bus, and peripheral devices are necessary to perform at least the majority of the steps of Claim 1 and thus directly infringe, either literally, or by equivalents.

57. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the Defendants were willfully blind or knew that the communicatively connected Combox, bus, and peripheral devices were especially made or especially adapted for use in an infringement (either literally or by equivalents) of at least Claim 1 of the '479 patent for at least the reasons stated infra and supra.

58. A communicatively connected Combox, bus, and peripheral devices in a BMW Vehicle is not a staple article or commodity of commerce suitable for substantial non-infringing use because, upon information and belief, when connected together, distinct, specific proprietary software, hardware, and/or firmware elements of the connected Combox have no substantial purpose other than to be used to infringe at least Claim 1 of the '479 patent, either literally or through the doctrine of equivalents.

59. Since the Defendants knew of, or were willfully blind towards, the '479 patent, the Defendants were willfully blind or knew that the users' BMW Vehicles' acts relative to communication with the Remote System and/or Remote App directly infringe, either literally or by equivalents, at least Claim 1 of the '479 patent.

60. For these reasons, the Defendants are contributory infringers of at least Claim 1 of the '479 patent, either literally or through the doctrine of equivalents.

### **Damages**

61. The Defendants' acts of infringement of the '479 patent as alleged above have injured Cellport and thus Cellport is entitled to recover damages adequate to compensate it for that infringement, which in no event can be less than a reasonable royalty.

**COUNT II: SECOND CLAIM FOR RELIEF**

**(INFRINGEMENT OF U.S. PATENT NO. 5,732,074)**

62. Plaintiff incorporates by reference all of its previous allegations.

**Direct Infringement of the '074 Patent**

63. By using and/or testing the Accused System the Defendants have directly infringed and continue to infringe at least Claim 1 of the '074 patent, either literally or by equivalents.

64. By providing the Remote System and/or Remote App to BMW Vehicle users, and/or by providing the Accused System to BMW Vehicle users, the Defendants have made, used, or sold the apparatus of at least Claim 1 and thus directly infringed and continue to infringe, at least Claim 1 of the '074 patent, either literally or by equivalents.

**Defendants' Liability for Direct Infringement of at Least Claims 1 & 16 of the '074 Patent.**

65. The Defendants design, manufacture, import, and/or sell the BMW Vehicles.

66. The BMW Vehicles are designed to automatically perform data querying operations as to the status and functioning of the BMW Vehicle and to transmit the results of those queries automatically to the Defendants.

67. The BMW Vehicles are designed to automatically respond to a query (or a command) from the Defendants and perform data querying operations (or execute the command) in relation to the status and functioning of the BMW Vehicle and to transmit the results of those queries (or the execution of the command) automatically to the Defendants.

68. The BMW Assist terms of service require a BMW Vehicle user to properly maintain the BMW Vehicle and the embedded telematics device and to follow all instructions related to the use of the BMW Assist services and the embedded telematics device.

69. It is a violation of the BMW Assist terms of service agreement for a BMW Vehicle user to not comply with any reasonable requirement or restriction requested or imposed by BMW.

70. Upon information and belief, it is a violation of warranty and/or service agreements related to the BMW Vehicle and/or the Remote System for the BMW Vehicle user to modify the components of the BMW Vehicle that communicate with the Remote System or to change the behavior of the BMW Vehicle with respect to communicating with the Remote System.

71. By, and/or after, contracting for the BMW Assist services, a user of a BMW Vehicle subsequently uses the apparatus of at least Claim 1, and thus directly infringes at least Claim 1 of the '074 patent, either literally or by equivalents. Accordingly, the users' infringing acts are directed and/or controlled by the Defendants, who are thus vicariously liable for the users' infringement.

72. The Defendants contract for and use commercial mobile wireless services from one or more wireless carriers in communicating between a user's BMW Vehicle and the Remote System.

73. The Defendants initiate communications between the Remote Station and the BMW Vehicle, which communications are carried out, without modification to the content of those communications, in response to the Defendants' instructions and addressing, through an automated process that delivers those communications to the recipient designated by the Defendants.

74. All the steps of at least the method of Claim 16 are performed by the Defendants or the user's BMW Vehicle during communications between the Remote System and the BMW Vehicle.

75. The Defendants' Remote System performs several of the steps of at least the method of Claim 16 of the '074 patent, either literally or by equivalents by sending requests or commands to the BMW Vehicle.

76. A user's BMW Vehicle performs the balance of the steps of at least the method of Claim 16 of the '074 patent, either literally or by equivalents in response to at least one or more queries or commands from the Remote System.

77. Upon information and belief, the Remote System in conjunction with BMW Vehicles have performed all of the steps of at least method Claim 16, either literally or by equivalents, in response to queries or commands from the Remote System initiated by the Defendants.

78. Accordingly, the Defendants direct and control the execution of the method of at least Claim 16, and direct and control the users' use and/or making of the apparatus of at least Claim 1, and are thus vicariously liable for the BMW Vehicle users' infringement, either literally or under the doctrine of equivalents.

#### **Inducement of Infringement of the '074 Patent**

79. The Defendants were willfully blind toward, or knew of, the '074 patent for at least the reasons discussed above.

80. Since the Defendants knew of, or were willfully blind towards, the '074 patent, the Defendants have intentionally, actively, and knowingly advertised about the Remote System and/or the Remote App and/or invited, enticed, lead on, prevailed on, moved by persuasion,

caused, and/or influenced users and/or purchasers of the BMW Vehicles to enter into service contracts in relation to the Remote System and/or the Remote App and to use and/or benefit from those services at least by including services in relation to the Remote System as part of the acquisition of a BMW Vehicle.

81. Since the Defendants knew of, or were willfully blind towards, the '074 patent, the Defendants were willfully blind or knew that the BMW Vehicles and the Remote System would automatically communicate with each other, and/or communicate with each other upon a request from a user and/or purchaser of a BMW Vehicle; and/or that a BMW Vehicle would automatically respond to a query (or a command) from the Defendants and perform data querying operations (or execute the command) as to the status and functioning of the Vehicle and to transmit the results of those queries (or the execution of the command) automatically to the Defendants, the user, and/or the purchaser, at least after the user and/or purchaser of the BMW Vehicle entered into a service contract in relation to the Remote System.

82. Since the Defendants knew of, or were willfully blind towards, the '074 patent, the Defendants were willfully blind or knew that the users' and/or purchasers' acts, as well as the BMW Vehicles' acts described herein in relation to the Remote System and/or the Remote App were a use of the apparatus of at least Claim 1 and thus directly infringe at least Claim 1 of the '074 patent, either literally or by equivalents.

83. For these reasons, Defendants are liable for inducing infringement of the '074 patent.

#### **Contributory Infringement of the '074 Patent**

84. At least for the reasons stated above, the Defendants were willfully blind toward, and/or knew of, the '074 patent.

85. Since the Defendants knew of, or were willfully blind towards, the '074 patent, the Defendants have intentionally, actively, and knowingly offered to sell or sold BMW Vehicles within the United States or imported the BMW Vehicles into the United States.

86. One or more of said BMW Vehicles contain a communication "bus" with at least two vehicle devices and a Combox communicatively connected to the bus. The Combox, bus, and vehicle devices, together, are configured (through distinct hardware, firmware, and/or software instructions (including prior, subsequent, modified, or related versions of such)) such that they, in conjunction with a BMW Vehicle, meet all the limitations of Claim 1, either literally or by equivalents, except the "remote station" limitation, and are thus a component of a patented apparatus.

87. The communicatively connected Combox, bus, and vehicle devices are a material part of at least Claim 1 because the communicatively connected Combox, bus, and vehicle devices, in conjunction with a BMW Vehicle meet the majority of the limitations of Claim 1 either literally, or by equivalents.

88. Since the Defendants knew of, or were willfully blind towards, the '074 patent, the Defendants were willfully blind or knew that the communicatively connected Combox, bus, and vehicle devices, in conjunction with a BMW Vehicle, were especially made or especially adapted for use in an infringement (either literally or by equivalents) of at least Claim 1 of the '074 patent for at least the reasons stated *infra* and *supra*.

89. A communicatively connected Combox, bus, and vehicle devices, in conjunction with a BMW Vehicle, is not a staple article or commodity of commerce suitable for substantial noninfringing use because, upon information and belief, the distinct, specific proprietary software, hardware, and/or firmware elements of the connected Combox in the BMW Vehicle

are only used in communications with the Remote System, which use of the BMW Vehicle and the Remote System (as well as the combining of the BMW Vehicle and the Remote System to make the apparatus of Claim 1) infringes at least Claim 1 of the '074 patent, either literally or through the doctrine of equivalents.

90. Upon information and belief, users' BMW Vehicles have communicated with the Remote Systems and thus the users have directly infringed, and continue to infringe, at least Claim 1 of the '074 patent, either literally or through the doctrine of equivalents.

91. Since the Defendants knew of, or were willfully blind towards, the '074 patent, the Defendants were willfully blind or knew that the BMW Vehicles' acts relative to communication with the Remote System directly infringe, either literally or by equivalents, at least Claim 1 of the '074 patent.

92. For these reasons, the Defendants are contributory infringers of at least Claim 1 of the '074 patent, either literally or through the doctrine of equivalents.

### **Damages**

93. The Defendants' acts of infringement of the '074 patent as alleged above have injured Cellport and thus Cellport is entitled to recover damages adequate to compensate it for that infringement, which in no event can be less than a reasonable royalty.

### **DEMAND FOR JURY TRIAL**

94. Cellport hereby demands a jury trial on all claims and issues triable of right by a jury, including Defendants' affirmative defenses and counterclaims, if any.

### **PRAYER FOR RELIEF**

WHEREFORE, Cellport prays for entry of judgment in its favor and against Defendants BMW of North America, L.L.C., and Bayerische Motoren Werke AG declaring:

- A. That the Defendants have infringed one or more claims of both the '479 patent and the '074 patent.
- B. That the Defendants account for and pay to Cellport all damages caused by the infringement of the '479 patent and the '074 patent, which by statute can be no less than a reasonable royalty;
- C. That Cellport be granted pre-judgment and post-judgment interest on the damages caused to it by reason of the Defendants' infringement of the '479 patent and the '074 patent;
- D. That Cellport be granted such other and further relief that is just and proper under the circumstances.

Date: June 10, 2014

Respectfully submitted,

/s/ David M. Tenner

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**ATTORNEYS FOR CELLPORT SYSTEMS, INC.**