IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION

ERICSSON INC. and TELEFONAKTIEBOLAGET LM)
ERICSSON,) CIVIL ACTION NO. 2:15-cv-289-JRG-RSF
Plaintiffs,)) JURY TRIAL DEMANDED
v.)
APPLE INC.,)
Defendant.))

ERICSSON INC. AND TELEFONAKTIEBOLAGET LM ERICSSON'S FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs Ericsson Inc. and Telefonaktiebolaget LM Ericsson (singularly or collectively, "Ericsson") file this First Amended Complaint (hereinafter, "FAC") against Defendant, Apple Inc. ("Apple"), and allege:

NATURE OF THE ACTION

- 1. Apple infringes many of Ericsson's patents through the manufacture and sale of its iPhone products. Apple's products infringe Ericsson's patented innovations that relate to many different aspects of Apple's products, including the user interfaces, the operating systems, the location services, the applications, the cellular connectivity, the wireless LAN connectivity, and the Bluetooth connectivity. As a whole, Ericsson's patented inventions enable Apple to sell smaller, more efficient, more capable, and more appealing products.
- 2. The patents at issue in this lawsuit relate to Ericsson's innovations on which Apple's products rely to provide an easy-to-use and powerful interface for its users. Ericsson's patented inventions provide new ways for users to interact with their mobile phones, facilitating

more thorough immersion in the mobile Internet and connected applications via intuitive user interfaces that bridge the gaps in "man-machine" interaction. Although the patents at issue in this lawsuit are not essential to any industry standard, they are nevertheless critical to the design, manufacture, and success of Apple's products.

3. Ericsson's innovations in this lawsuit arise in large part from Ericsson's research and development into the world's first smartphones; in fact, Ericsson coined the term "smartphone" in 2001. The research and development that led to these early smartphone innovations led to many patented inventions that enable Apple's products to provide a simple, easy-to-use, and highly functional interface to their users today.

THE PARTIES

- 4. Since 1876, Ericsson has pioneered communications technology in pursuit of its mission to connect everyone, wherever they may be. The work of more than twenty-five thousand Ericsson research and development ("R&D") employees produced innovations fundamental to how phones, smartphones, and mobile devices connect seamlessly using cellular networks worldwide and offer a diverse and easy-to-use range of features and applications. As a result of its extensive research and development efforts, Ericsson has been awarded more than thirty-five thousand patents worldwide.
- 5. Ericsson is widely viewed as a leading innovator in the field of cellular communications. For more than three decades, Ericsson has pioneered development of the modern cellular network. Every major mobile network operator in the world buys solutions or services from Ericsson, which manages networks serving more than one billion subscribers globally. Forty percent of all mobile calls are made through Ericsson systems. Ericsson's equipment is found in more than 180 countries.

- 6. Ericsson also is a world-leading innovator of wireless and wired communications technologies as a result of its decades of investment in R&D. Ericsson's inventions enable the communications capability of smartphones and other wireless devices around the world. Access to people and information is paramount in this fast-paced, information-driven environment, and Ericsson's innovations have helped shape how people gain access by enabling technologies such as GSM / GPRS / EDGE ("2G"), UMTS / WCDMA / HSPA(+) ("3G"), LTE ("4G"), Wi-Fi, and Bluetooth. Ericsson also has devoted R&D resources in innovating wired communications that enable faster and easier methods of connecting people.
- 7. The proliferation of smartphones demonstrates the importance of Ericsson's communication platform innovations. The iPhone is but one example of many beneficiaries of Ericsson's fundamental technologies. With more than two billion users of mobile telephony in the world, smartphones and other mobile devices with Ericsson's communication platform allow people to connect, increasing efficiency and improving users' experiences.
- 8. Ericsson has a long history of technical innovations, including the patents at issue in this lawsuit. Some of Ericsson's many accomplishments include:
 - in 1878, Ericsson sold its first telephone;
 - in 1977, Ericsson introduced the world's first digital telephone exchange;
 - in 1981, Ericsson introduced its first mobile telephone system, NMT;
 - in 1991, Ericsson launched 2G phones on the world's first 2G network;
 - in 1994, Ericsson invented Bluetooth;
 - in 2001, Ericsson made the world's first 3G call for Vodafone in the UK; and
 - in 2009, Ericsson started the world's first 4G network and made the first 4G call.
- 9. Ericsson's innovation continues. Ericsson envisions a connected future, with more than three billion users and more than fifty billion connected devices, all of which will require better networks and greater capacity. Ericsson's culture of innovation is reflected in its investment of over fifteen percent of its budget in R&D annually, supporting its twenty-five

thousand employees striving to create a more interconnected world. Protection of intellectual property is necessary to address those free riding on Ericsson's patented inventions, allowing Ericsson to continue innovating its remarkable technologies.

- 10. Plaintiff Ericsson Inc. is a Delaware corporation with its principal place of business at 6300 Legacy Drive, Plano, Texas 75024.
- 11. Plaintiff Telefonaktiebolaget LM Ericsson is a corporation organized under the laws of the Kingdom of Sweden with its principal place of business at Torshamnsgatan 21, Kista 164 83, Stockholm, Sweden.
- 12. Defendant Apple is a corporation duly organized and existing under the laws of the State of California, having a principal place of business at 1 Infinite Loop, Cupertino, CA 95014. Apple's registered agent, registered with the Texas Secretary of State's Office, is CT Corp. System located at 1999 Bryan St., Suite 900, Dallas, TX 75201.

JURISDICTION AND VENUE

- 13. This is an action arising under the patent laws of the United States, 35 U.S.C. § 101 *et seq.* This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).
- 14. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b), (c) and (d) and 1400(b) because Apple has committed, and continues to commit, acts of infringement by one or more of making, using, selling and offering to sell Apple's iPhone line of products in the State of Texas, including in this judicial district.
- 15. This Court has personal jurisdiction over Apple because Apple does business in the State of Texas and in this judicial district and/or has infringed or caused infringement in the State of Texas and in this judicial district.

16. This Court has personal jurisdiction over Apple. Apple has continuous and systematic business contacts with the State of Texas. Apple, directly or through subsidiaries or intermediaries (including distributors, retailers, and others), conducts its business extensively throughout Texas by shipping, distributing, offering for sale, selling, and advertising (including the provision of an interactive web page) its products and/or services in the State of Texas and the Eastern District of Texas. Apple, directly and through subsidiaries or intermediaries (including distributors, retailers, and others), has purposefully and voluntarily placed one or more of its infringing products and/or services into the stream of commerce with the intention and expectation that they will be purchased and used by consumers in the Eastern District of Texas. These infringing products and/or services have been and continue to be purchased and used by consumers in the Eastern District of Texas. Apple has committed acts of patent infringement within the State of Texas and, more particularly, within the Eastern District of Apple also has directed communications in connection with its negotiations with Texas. Ericsson into the Eastern District of Texas. Jurisdiction over Apple in this matter is also proper inasmuch as Apple has voluntarily submitted itself to the jurisdiction of the courts by commencing litigations within the State of Texas, by registering with the Texas Secretary of State's Office to do business in the State of Texas, and by appointing a registered agent. Therefore, the exercise of jurisdiction over Apple is appropriate under the applicable jurisdictional statutes and would not offend traditional notions of fair play and substantial justice.

THE ERICSSON PATENTS

17. United States Letters Patent 6,026,293 ("the '293 Patent") entitled "System for Preventing Electronic Memory Tampering," was duly and legally issued to inventor William R. Osborn on February 15, 2000. Ericsson owns all rights to the '293 Patent necessary to bring this

action. A true and correct copy of the '293 Patent is attached as Exhibit 1 and incorporated herein by reference.

- 18. United States Letters Patent 6,400,376 ("the '376 Patent") entitled "Display Control for Hand-Held Data Processing Device," was duly and legally issued to inventors Mona Singh and Robert M. Lands on June 4, 2002. Ericsson owns all rights to the '376 Patent necessary to bring this action. A true and correct copy of the '376 Patent is attached as Exhibit 2 and incorporated herein by reference.
- 19. United States Letters Patent 6,857,068 ("the '068 Patent") entitled "System and Method for Data Processing by Executing a Security Program Routine Initially Stored in a Protected Part of Irreversibly Blocked Memory Upon Start-Up," was duly and legally issued to inventors Bernd Möller, Harro Osthoff, Ben Smeets, and Kar-Fat Poon on February 15, 2005. Ericsson owns all rights to the '068 Patent necessary to bring this action. On November 4, 2003, The United States Patent Office duly and legally issued a Certificate of Correction for the claims. A true and correct copy of the '068 Patent is attached as Exhibit 3 and incorporated herein by reference.
- 20. United States Letters Patent 6,901,251 ("the '251 Patent") entitled "Portable Communication Apparatus Having a Man-Machine Interface and a Method for its Operation," was duly and legally issued to inventors Johan Kiessling, Jan Arwald, Bernt Nilsson, and Benny Saxen on May 31, 2005. Ericsson owns all rights to the '251 Patent necessary to bring this action. A true and correct copy of the '251 Patent is attached as Exhibit 4 and incorporated herein by reference.
- 21. United States Letters Patent (Reissued) RE43,931 ("the '931 Patent") entitled "Radiotelephones Having Contact-Sensitive User Interfaces and Methods of Operating Same,"

was duly and legally reissued to inventors John Joseph Hayes, Jr. and Curtis Wayne Thornton on January 15, 2013. Ericsson owns all rights to the '931 Patent necessary to bring this action. A true and correct copy of the '931 Patent is attached as Exhibit 5 and incorporated herein by reference.

- 22. United States Letters Patent 8,078,134 ("the '134 Patent") entitled "Mobile Terminal and Method of Controlling Operation of the Mobile Terminal," was duly and legally issued to inventors Rae Hoon Kang, Sang Soo Kim, and Ha Yang Jung on December 13, 2011. Ericsson owns all rights to the '134 Patent necessary to bring this action. A true and correct copy of the '134 Patent is attached as Exhibit 6 and incorporated herein by reference.
- 23. Ericsson is the sole and exclusive owner of all rights, title, and interest necessary to bring this action for the '293, '376, '068, '251, '931, and '134 Patents (the "Ericsson Patents-in-Suit"), including the right to recover past and future damages. Ericsson has owned all rights to the '293, '376, '068, '251 and '931 Patents necessary to bring this action throughout the period of Apple's infringement and still owns those rights to these patents. Ericsson acquired ownership of the '134 Patent on February 25, 2015, and owns all rights to the '134 Patent necessary to bring this action, including the right to recover past damages. Apple is not currently licensed to practice the Ericsson Patents-in-Suit.
 - 24. The Ericsson Patents-in-Suit are valid and enforceable.
- 25. Apple has been placed on actual notice of at least some of the Ericsson Patents-in-Suit. At minimum, in accordance with 35 U.S.C. § 287, Apple has had knowledge of the '293, '376, '068, '251 and '931 Patents at least as early as the filing of the Original Complaint and/or the date the Original Complaint was served upon Apple, and Apple has had knowledge of the '134 Patent at least as early as the filing and/or service of this FAC. Further, Apple has

participated in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the Ericsson Patents-in-Suit, and upon information and belief, Apple had knowledge of the Ericsson Patents-in-Suit based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. For example, in June 2012, Ericsson disclosed at least the '376 Patent, and a familial relative of the '931 Patent to Apple. Despite such notice, Apple continues to make, use, import into, market, offer for sale, and/or sell in the United States products that infringe the Ericsson Patents-in-Suit.

- Apple has directly and indirectly infringed and continues to directly and indirectly infringe each of the Ericsson Patents-in-Suit by engaging in acts constituting infringement under 35 U.S.C. § 271(a), (b), and/or (c) including without limitation by one or more of making, using, selling and offering to sell, in this District and elsewhere in the United States, and importing into this District and elsewhere in the United States Apple's iPhone line of products ("Accused Products").
- 27. Apple is doing business in the United States, and, more particularly, in the Eastern District of Texas by making, using, selling, importing, and/or offering for sale Apple's Accused Products, including without limitation Apple's iPhone 3G, iPhone 3GS, iPhone 4, iPhone 4S, iPhone 5C, iPhone 5S, iPhone 6, and iPhone 6 Plus that infringe one or more of the claims of the Ericsson Patents-in-Suit.
- 28. Each of Apple's Accused Products is a mobile phone that includes an operating system and architecture that allow application software to be loaded, installed, and run on the Accused Products. The applications or "apps," as Apple calls them permit the expansion of an Accused Product's feature-set and a level of customization that is desirable to end users,

and, in turn, drive the commercial success of the Accused Products. Certain of these apps are developed and provided by Apple, while others are developed by third parties.

- 29. To facilitate the development and deployment of apps for the Accused Products, Apple provides a Software Development Kit (SDK), instructions, and training to promote and further the development of apps both internally and by third parties. Apple provides instructions to developers concerning recommended or permitted user interface elements, actions, gestures, and other features (multimedia playback, for example), and makes available a variety of frameworks and other mechanisms by which a developer may implement features and functionality that are provided by Apple, such as in the iOS operating system (including lower-level layers).
- 30. Apple tightly controls the development of apps. A third-party developer, for example, must register as a member of Apple's "iOS Developer Program" and pay Apple a membership fee before an app can be made available for download, installation, or use by end users. Apple exercises control over the sale, distribution, and installation of apps through technical and contractual means; the only authorized and technically-feasible means for obtaining, loading, or installing software on an Accused Product is via Apple's "App Store" platform and infrastructure. Before any app is released to the public, it is first reviewed by Apple to ensure compliance with Apple's various terms and conditions and programming requirements (including, for example, adherence to Apple's programming architecture, security, and user interface requirements).
- 31. Apple instructs and encourages end users to load, install, and run apps on the Accused Products. For example, Apple provides directions in product documentation and tutorials. Apple employees instruct and encourage end users to load, install, and use apps on the

Accused Products, such as through Apple Retail Store interactions (including classes, workshops, training, and personalized setup services, and ad hoc interactions) and technical support interactions (including via telephone, web chat, knowledge base, discussions, and instore), each of which include instruction and encouragement to load, install, and use such apps.

- 32. Apple itself causes apps to be loaded, installed, and used on the Accused Products, both before and after the sale of an Accused Product to an end user. Apple employees load, install, and use apps on their own devices, as well as on customer devices. Through infrastructure owned, maintained, and/or controlled by Apple, Apple causes apps to be installed on end users' devices, including by automatically downloading and/or updating the apps on the Accused Products. Alternatively, Apple carries out the instructions of its end user customers to undertake the download and installation of application(s) on an end user's behalf.
- 33. Apple's advertising also encourages users to load, install, and use apps on the Accused Products; indeed, Apple promotes the availability of apps as a reason for purchasing the Accused Products. Apple advertising, such as television advertising, explicitly depicts a variety of apps in promoting the sale of the Accused Products.
- 34. Apple realizes a financial benefit from the sale of apps via the App Store, withholding a percentage of each sale. Apple retains a portion of the sale of "in app" sales, wherein features or content may be added or unlocked by an end-user via Apple's App Store infrastructure. Apple also generates revenue from the sale and distribution of advertisements (such as "iAds") within apps. Apple's revenue from these is substantial, as are sales of the Accused Products that result from the availability of the app ecosystem on the Accused Products.
- 35. Apple similarly encourages users to update software, for example, the iOS operating system, installed on the Accused Products after new versions are released. For

example, Apple specifically prompts users to install compatible updated versions of the iOS operating system upon their release, and also provides an indication that updates to the iOS operating system are available for download and installation from Apple. Apple advertises the benefits of such updates, and provides direction and assistance in installing them. The installation of iOS and related updates constitutes a normal and customary use by an end user of the Accused Products.

- 36. Apple provides support for various user interface elements, features, interactions, and gestures that may be included as part of Apple's iOS and/or in apps provided by Apple or by third-parties. Apple touts the benefits and value afforded by the Accused Products' user interface. Apple provides instruction and encouragement regarding the use and implementation of such elements and features, including in developer training and documents, and in documents, training, and support provided to end users (such as described herein).
- 37. Apple also instructs and encourages customers and end users to utilize gestures, user interface elements, and other features (e.g., the VPN feature) in a manner consistent with the claims of the Ericsson Patents-in-Suit. For example, Apple provides directions in product documentation and tutorials. Apple employees instruct and encourage the use of the Accused Products, including the user interface and other features, in an infringing manner. Such instruction and encouragement is provided through Apple Retail Store interactions (including classes, workshops, training, personalized setup services, and ad hoc interactions) and in technical support interactions (including via telephone, web chat, knowledge base, discussions, and in-store), each of which includes instruction and encouragement to use the Accused Products in their normal and customary way, which infringes the Ericsson Patents-in-Suit. Apple's advertising, marketing, promotional, and instructional materials likewise instruct and encourage

the use of the Apple Accused Products in an infringing manner, including by promoting infringing aspects of the user interface elements as a basis for purchasing and using such devices.

FIRST COUNT (INFRINGEMENT OF THE '293 PATENT)

- 38. Ericsson incorporates by reference the allegations set forth in Paragraphs 1-37 of this FAC as though fully set forth herein.
- 39. In violation of 35 U.S.C. § 271(a), Apple is and has been directly infringing one or more claims of the '293 Patent by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, products, including without limitation Apple's Accused Products. Further discovery may reveal additional infringing products and/or models. Apple's Accused Products are covered by and/or practice the inventions claimed in the '293 Patent, and, thus, Apple is and has infringed the claims of the '293 Patent literally and/or pursuant to the doctrine of equivalents.
- 40. In violation of 35 U.S.C. § 271(b), Apple is and has been indirectly infringing one or more of the '293 Patent's claims by inducing third parties, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products, to directly infringe the '293 Patent's claims. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '293 Patent, and upon information and belief, Apple has had knowledge of the '293 Patent based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. By way of at least the Original Complaint, Apple knows of the '293 Patent and performs affirmative acts that it knows, or should know, induce direct infringement of one or more of the '293 Patent's claims by third parties. For example, Apple provides instruction on how to operate and use Apple's Accused Products in their normal and customary manner. Apple intends for its

customers to use Apple's Accused Products in their normal and customary manner and knows, or is willfully blind, that by doing so its customers will directly infringe one or more of the '293 Patent's claims.

- 41. In violation of 35 U.S.C. § 271(c), Apple is and has been indirectly infringing one or more of the '293 Patent's claims by contributing to the direct infringement of the '293 Patent by third parties using Apple's Accused Products in their normal and customary manner, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '293 Patent, and upon information and belief, Apple had knowledge of the '293 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '293 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple. Apple installs, configures, and sells its Accused Products with distinct and separate hardware and/or software components with knowledge of the '293 Patent and that these components are especially made or especially adapted to practice the invention claimed in the '293 Patent. That hardware and/or software is a material part of the invention, has no substantial non-infringing use, and is not a staple article or commodity of commerce because it is specifically designed to practice the invention claimed in the '293 Patent.
- 42. A reasonable inference may be drawn from the facts set forth above that Apple is making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, a component of a patented machine, manufacture, combination or composition, or a material or an apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or

especially adapted for use in infringement of a patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.

- 43. Ericsson is informed and believes that Apple intends to and will continue to directly infringe, induce the infringement of, and/or contribute to the infringement of the '293 Patent's claims.
- 44. Apple's infringement of the '293 Patent has been willful. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '293 Patent, and upon information and belief, Apple had knowledge of the '293 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '293 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple.
- 45. Apple's continued infringement of the '293 Patent has damaged and will continue to damage Ericsson.
- 46. Apple's acts of infringement have caused damages to Ericsson, and Ericsson is entitled to recover from Apple the damages sustained by Ericsson as a result of Apple's wrongful acts in an amount subject to proof at trial.

SECOND COUNT (INFRINGEMENT OF THE '376 PATENT)

- 47. Ericsson incorporates by reference the allegations set forth in Paragraphs 1-46 of this FAC as though fully set forth herein.
- 48. In violation of 35 U.S.C. § 271(a), Apple is and has been directly infringing one or more claims of the '376 Patent by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, products, including without limitation Apple's Accused Products. Further discovery may reveal additional infringing

products and/or models. Apple's Accused Products are covered by and/or practice the inventions claimed in the '376 Patent, and, thus, Apple is and has infringed the claims of the '376 Patent literally and/or pursuant to the doctrine of equivalents.

- 49. In violation of 35 U.S.C. § 271(b), Apple is and has been indirectly infringing one or more of the '376 Patent's claims by inducing third parties, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products, to directly infringe the '376 Patent's claims. Apple has had knowledge of the '376 Patent at least since Ericsson disclosed the '376 Patent to Apple in June 2012. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '376 Patent, and upon information and belief, Apple has had knowledge of the '376 Patent based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. By way of at least the Original Complaint, Apple knows of the '376 Patent and performs affirmative acts that it knows, or should know, induce direct infringement of one or more of the '376 Patent's claims by third parties. For example, Apple provides instruction on how to operate and use Apple's Accused Products in their normal and customary manner. Apple intends for its customers to use Apple's Accused Products in their normal and customary manner and knows, or is willfully blind, that by doing so its customers will directly infringe one or more of the '376 Patent's claims.
- 50. In violation of 35 U.S.C. § 271(c), Apple is and has been indirectly infringing one or more of the '376 Patent's claims by contributing to the direct infringement of the '376 Patent by third parties using Apple's Accused Products in their normal and customary manner, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products. Apple has had knowledge of the '376 Patent at least since Ericsson

disclosed the '376 Patent to Apple in June 2012. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '376 Patent, and upon information and belief, Apple had knowledge of the '376 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '376 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple. Apple installs, configures, and sells its Accused Products with distinct and separate hardware and/or software components with knowledge of the '376 Patent and that these components are especially made or especially adapted to practice the invention claimed in the '376 Patent. That hardware and/or software is a material part of the invention, has no substantial non-infringing use, and is not a staple article or commodity of commerce because it is specifically designed to practice the invention claimed in the '376 Patent.

- 51. A reasonable inference may be drawn from the facts set forth above that Apple is making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, a component of a patented machine, manufacture, combination or composition, or a material or an apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in infringement of a patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.
- 52. Ericsson is informed and believes that Apple intends to and will continue to directly infringe, induce the infringement of, and/or contribute to the infringement of the '376 Patent's claims.
- 53. Apple's infringement of the '376 Patent has been willful. Apple has had knowledge of the '376 Patent at least since Ericsson disclosed the '376 Patent to Apple in June

- 2012. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '376 Patent, and upon information and belief, Apple had knowledge of the '376 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '376 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple.
- 54. Apple's continued infringement of the '376 Patent has damaged and will continue to damage Ericsson.
- 55. Apple's acts of infringement have caused damages to Ericsson, and Ericsson is entitled to recover from Apple the damages sustained by Ericsson as a result of Apple's wrongful acts in an amount subject to proof at trial.

THIRD COUNT (INFRINGEMENT OF THE '068 PATENT)

- 56. Ericsson incorporates by reference the allegations set forth in Paragraphs 1-55 of this FAC as though fully set forth herein.
- 57. In violation of 35 U.S.C. § 271(a), Apple is and has been directly infringing one or more claims of the '068 Patent by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, products, including without limitation Apple's Accused Products. Further discovery may reveal additional infringing products and/or models. Apple's Accused Products are covered by and/or practice the inventions claimed in the '068 Patent, and, thus, Apple is and has infringed the claims of the '068 Patent literally and/or pursuant to the doctrine of equivalents.
- 58. In violation of 35 U.S.C. § 271(b), Apple is and has been indirectly infringing one or more of the '068 Patent's claims by inducing third parties, including without limitation

manufacturers, resellers, developers, customers, and end users of Apple's Accused Products, to directly infringe the '068 Patent's claims. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '068 Patent, and upon information and belief, Apple has had knowledge of the '068 Patent based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. By way of at least the Original Complaint, Apple knows of the '068 Patent and performs affirmative acts that it knows, or should know, induce direct infringement of one or more of the '068 Patent's claims by third parties. For example, Apple provides instruction on how to operate and use Apple's Accused Products in their normal and customary manner. Apple intends for its customers to use Apple's Accused Products in their normal and customary manner and knows, or is willfully blind, that by doing so its customers will directly infringe one or more of the '068 Patent's claims.

59. In violation of 35 U.S.C. § 271(c), Apple is and has been indirectly infringing one or more of the '068 Patent's claims by contributing to the direct infringement of the '068 Patent by third parties using Apple's Accused Products in their normal and customary manner, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '068 Patent, and upon information and belief, Apple had knowledge of the '068 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '068 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple. Apple installs, configures, and sells its Accused Products with distinct and separate hardware and/or software components with knowledge of the '068

Patent and that these components are especially made or especially adapted to practice the invention claimed in the '068 Patent. That hardware and/or software is a material part of the invention, has no substantial non-infringing use, and is not a staple article or commodity of commerce because it is specifically designed to practice the invention claimed in the '068 Patent.

- 60. A reasonable inference may be drawn from the facts set forth above that Apple is making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, a component of a patented machine, manufacture, combination or composition, or a material or an apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in infringement of a patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.
- 61. Ericsson is informed and believes that Apple intends to and will continue to directly infringe, induce the infringement of, and/or contribute to the infringement of the '068 Patent's claims.
- 62. Apple's infringement of the '068 Patent has been willful. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '068 Patent, and upon information and belief, Apple had knowledge of the '068 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '068 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple.
- 63. Apple's continued infringement of the '068 Patent has damaged and will continue to damage Ericsson.

64. Apple's acts of infringement have caused damages to Ericsson, and Ericsson is entitled to recover from Apple the damages sustained by Ericsson as a result of Apple's wrongful acts in an amount subject to proof at trial.

FOURTH COUNT (INFRINGEMENT OF THE '251 PATENT)

- 65. Ericsson incorporates by reference the allegations set forth in Paragraphs 1-64 of this FAC as though fully set forth herein.
- 66. In violation of 35 U.S.C. § 271(a), Apple is and has been directly infringing one or more claims of the '251 Patent by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, products, including without limitation Apple's Accused Products. Further discovery may reveal additional infringing products and/or models. Apple's Accused Products are covered by and/or practice the inventions claimed in the '251 Patent, and, thus, Apple is and has infringed the claims of the '251 Patent literally and/or pursuant to the doctrine of equivalents.
- or more of the '251 Patent's claims by inducing third parties, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products, to directly infringe the '251 Patent's claims. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '251 Patent, and upon information and belief, Apple had knowledge of the '251 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. By way of at least the Original Complaint, Apple knows of the '251 Patent and performs affirmative acts that it knows, or should know, induce direct infringement of one or more of the '251 Patent's claims by third parties. For example, Apple provides instruction on how to operate and use Apple's Accused

Products in their normal and customary manner. Apple intends for its customers to use Apple's Accused Products in their normal and customary manner and knows, or is willfully blind, that by doing so its customers will directly infringe one or more of the '251 Patent's claims.

- 68. In violation of 35 U.S.C. § 271(c), Apple is and has been indirectly infringing one or more of the '251 Patent's claims by contributing to the direct infringement of the '251 Patent by third parties using Apple's Accused Products in their normal and customary manner, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '251 Patent, and upon information and belief, Apple had knowledge of the '251 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '251 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple. Apple installs, configures, and sells its Accused Products with distinct and separate hardware and/or software components with knowledge of the '251 Patent and that these components are especially made or especially adapted to practice the invention claimed in the '251 Patent. That hardware and/or software is a material part of the invention, has no substantial non-infringing use, and is not a staple article or commodity of commerce because it is specifically designed to practice the invention claimed in the '251 Patent.
- 69. A reasonable inference may be drawn from the facts set forth above that Apple is making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, a component of a patented machine, manufacture, combination or composition, or a material or an apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or

especially adapted for use in infringement of a patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.

- 70. Ericsson is informed and believes that Apple intends to and will continue to directly infringe, induce the infringement of, and/or contribute to the infringement of the '251 Patent's claims.
- 71. Apple's infringement of the '251 Patent has been willful. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '251 Patent, and upon information and belief, Apple had knowledge of the '251 Patent based on these discussions and any additional investigations of Ericsson's portfolio that Apple may have performed. Apple also received notice of the '251 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple.
- 72. Apple's continued infringement of the '251 Patent has damaged and will continue to damage Ericsson.
- 73. Apple's acts of infringement have caused damages to Ericsson, and Ericsson is entitled to recover from Apple the damages sustained by Ericsson as a result of Apple's wrongful acts in an amount subject to proof at trial.

FIFTH COUNT (INFRINGEMENT OF THE '931 PATENT)

- 74. Ericsson incorporates by reference the allegations set forth in Paragraphs 1-73 of this FAC as though fully set forth herein.
- 75. In violation of 35 U.S.C. § 271(a), Apple is and has been directly infringing one or more claims of the '931 Patent by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, products, including without limitation Apple's Accused Products. Further discovery may reveal additional infringing

products and/or models. Apple's Accused Products are covered by and/or practice the inventions claimed in the '931 Patent, and, thus, Apple is and has infringed the claims of the '931 Patent literally and/or pursuant to the doctrine of equivalents.

- 76. In violation of 35 U.S.C. § 271(b), Apple is and has been indirectly infringing one or more of the '931 Patent's claims by inducing third parties, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products, to directly infringe the '931 Patent's claims. Apple has been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '931 Patent, and upon information and belief, Apple has had knowledge of the '931 Patent based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. By way of at least the Original Complaint, Apple knows of the '931 Patent and performs affirmative acts that it knows, or should know, induce direct infringement of one or more of the '931 Patent's claims by third parties. For example, Apple provides instruction on how to operate and use Apple's Accused Products in their normal and customary manner. Apple intends for its customers to use Apple's Accused Products in their normal and customary manner and knows, or is willfully blind, that by doing so its customers will directly infringe one or more of the '931 Patent's claims.
- 77. In violation of 35 U.S.C. § 271(c), Apple is and has been indirectly infringing one or more of the '931 Patent's claims by contributing to the direct infringement of the '931 Patent by third parties using Apple's Accused Products in their normal and customary manner, including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products. Upon information and belief, Apple has had knowledge of the '931 Patent since Ericsson disclosed U.S. Patent No. 6,131,047, a parent of the '931 Patent, to Apple

in June 2012. Apple has also been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '931 Patent, and upon information and belief, Apple has had knowledge of the '931 Patent based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. Apple also received notice of the '931 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple. Apple installs, configures, and sells its Accused Products with distinct and separate hardware and/or software components with knowledge of the '931 Patent and that these components are especially made or especially adapted to practice the invention claimed in the '931 Patent. That hardware and/or software is a material part of the invention, has no substantial non-infringing use, and is not a staple article or commodity of commerce because it is specifically designed to practice the invention claimed in the '931 Patent.

- 78. A reasonable inference may be drawn from the facts set forth above that Apple is making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, a component of a patented machine, manufacture, combination or composition, or a material or an apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in infringement of a patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.
- 79. Ericsson is informed and believes that Apple intends to and will continue to directly infringe, induce the infringement of, and/or contribute to the infringement of the '931 Patent's claims.
- 80. Apple's infringement of the '931 Patent has been willful. Upon information and belief, Apple has had knowledge of the '931 Patent since Ericsson disclosed U.S. Patent No.

6,131,047, a parent of the '931 Patent, to Apple in June 2012. Apple has also been involved in discussions with Ericsson regarding Ericsson's patent portfolio, which includes the '931 Patent, and upon information and belief, Apple has had knowledge of the '931 Patent based on these discussions and any additional investigations of Ericsson's patent portfolio that Apple may have performed. Apple also received notice of the '931 Patent at least as of the date this lawsuit was filed and/or the date the Original Complaint was served upon Apple.

- 81. Apple's continued infringement of the '931 Patent has damaged and will continue to damage Ericsson.
- 82. Apple's acts of infringement have caused damages to Ericsson, and Ericsson is entitled to recover from Apple the damages sustained by Ericsson as a result of Apple's wrongful acts in an amount subject to proof at trial.

SIXTH COUNT (INFRINGEMENT OF THE '134 PATENT)

- 83. Ericsson incorporates by reference the allegations set forth in Paragraphs 1-82 of this FAC as though fully set forth herein.
- 84. In violation of 35 U.S.C. § 271(a), Apple is and has been directly infringing one or more claims of the '134 Patent by making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, products, including without limitation Apple's Accused Products, and, in particular, the Apple iPhone 6 Plus. Further discovery may reveal additional infringing products and/or models. Apple's Accused Products are covered by and/or practice the inventions claimed in the '134 Patent, and, thus, Apple is and has infringed the claims of the '134 Patent literally and/or pursuant to the doctrine of equivalents.
- 85. In violation of 35 U.S.C. § 271(b), Apple is and has been indirectly infringing one or more of the '134 Patent's claims by inducing third parties, including without limitation

manufacturers, resellers, developers, customers, and end users of Apple's Accused Products, including the iPhone 6 Plus, to directly infringe the '134 Patent's claims. By way of at least this FAC, Apple knows of the '134 Patent and performs affirmative acts that it knows, or should know, induce direct infringement of one or more of the '134 Patent's claims by third parties. For example, Apple provides instruction on how to operate and use Apple's Accused Products, including the iPhone 6 Plus, in their normal and customary manner. Apple intends for its customers to use Apple's Accused Products in their normal and customary manner and knows, or is willfully blind, that by doing so its customers will directly infringe one or more of the '134 Patent's claims. By way of example, Apple's promotional materials and advertising, including its interactive web pages (e.g. http://www.apple.com/iphone-6/display/), promote infringing aspects of the iPhone 6 Plus user interface. Apple promotes these user interface aspects as specific reasons for which consumers should purchase the iPhone 6 Plus, and, upon information and belief, customers do purchase the iPhone 6 Plus for these reasons. Moreover, Apple intends for and instructs its customers and end users to use apps (including pre-installed apps) in an infringing manner involving the iPhone 6 Plus user interface.

86. In violation of 35 U.S.C. § 271(c), Apple is and has been indirectly infringing one or more of the '134 Patent's claims by contributing to the direct infringement of the '134 Patent by third parties using Apple's Accused Products, including the iPhone 6 Plus, in their normal and customary manner (such as described above), including without limitation manufacturers, resellers, developers, customers, and end users of Apple's Accused Products. Apple also received notice of the '134 Patent at least as of the date this FAC was filed and/or the date this FAC was served upon Apple. Apple installs, configures, and sells its Accused Products, including the iPhone 6 Plus, with distinct and separate hardware and/or software components

with knowledge of the '134 Patent and that these components are especially made or especially adapted to practice the invention claimed in the '134 Patent. That hardware and/or software is a material part of the invention, has no substantial non-infringing use, and is not a staple article or commodity of commerce because it is specifically designed to practice the invention claimed in the '134 Patent.

- 87. A reasonable inference may be drawn from the facts set forth above that Apple is making, using, offering to sell, and/or selling in the United States, and/or importing into the United States, without authority, a component of a patented machine, manufacture, combination or composition, or a material or an apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in infringement of a patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use.
- 88. Ericsson is informed and believes that Apple intends to and will continue to directly infringe, induce the infringement of, and/or contribute to the infringement of the '134 Patent's claims.
- 89. Apple's infringement of the '134 Patent has been willful. Apple received notice of the '134 Patent at least as of the date this FAC was filed and/or the date this FAC was served upon Apple.
- 90. Apple's continued infringement of the '134 Patent has damaged and will continue to damage Ericsson.
- 91. Apple's acts of infringement have caused damages to Ericsson, and Ericsson is entitled to recover from Apple the damages sustained by Ericsson as a result of Apple's wrongful acts in an amount subject to proof at trial.

DAMAGES

92. As a result of Apple's acts of infringement, Ericsson has suffered actual and consequential damages; however, Ericsson does not yet know the full extent of the infringement and its extent cannot be ascertained except through discovery and special accounting. To the fullest extent permitted by law, Ericsson seeks recovery of damages at least for reasonable royalties, unjust enrichment, and benefits received by Apple as a result of using the misappropriated technology. Ericsson further seeks any other damages to which Ericsson is entitled under law or in equity.

ATTORNEYS' FEES

93. Ericsson is entitled to recover reasonable and necessary attorneys' fees under applicable law.

DEMAND FOR JURY TRIAL

94. Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure and Local Rule CV-38, Ericsson demands a trial by jury of this action.

PRAYER FOR RELIEF

Ericsson respectfully requests that this Honorable Court enter preliminary and final orders and judgments against Apple as are necessary to provide Ericsson with the following relief:

- (a) A judgment that Apple has infringed and/or is infringing one or more claims of the patents-in-suit;
- (b) A judgment that Apple's infringement of the patents-in-suit was willful, and that Apple's continued infringement of the patents-in-suit is willful;
- (c) Award Ericsson damages in an amount adequate to compensate Ericsson for Apple's infringement of the patents-in-suit, but in no event less than a reasonable royalty under 35 U.S.C. § 284;

- (d) Award enhanced damages pursuant to 35 U.S.C. § 284;
- (e) Enter an order finding that this is an exceptional case, and award attorneys' fees pursuant to 35 U.S.C. § 285 or as otherwise allowed by law;
 - (f) Award pre-judgment and post-judgment interest as allowed by law;
- (g) Enter an injunction enjoining Apple, and all others in active concert with Apple, from further infringement of the patents-in-suit;
- (h) In lieu of an injunction, award a mandatory future royalty payable on each future product sold by Apple that is found to infringe one or more of the patents asserted herein, and on all future products which are not colorably different from products found to infringe;
 - (i) Order an accounting of damages;
 - (j) Award Ericsson its costs of suit;
- (k) Award all other further relief in law or in equity as the Court may deem just and proper.

Dated: May 18, 2015 Respectfully Submitted,

By: <u>/s/ Henry C. Bunsow</u>

Henry C. Bunsow (California State Bar #60707)

Lead Attorney

BUNSOW, DE MORY, SMITH & ALLISON LLP

351 California Street, Suite 200 San Francisco, California 94104

Telephone: (415) 426-4747 Facsimile: (415) 426-4744 Email: hbunsow@bdiplaw.com

Denise M. De Mory (California State Bar #168076)

Aaron R. Hand (California State Bar #245755)

BUNSOW, DE MORY, SMITH & ALLISON LLP

701 El Camino Real

Redwood City, California 94063

Telephone: (650) 351-7248 Facsimile: (650) 351-7259 Email: ddemory@bdiplaw.com Email: ahand@bdiplaw.com

Mike McKool, Jr. (Texas State Bar #13732100)

Douglas A. Cawley (Texas State Bar #0403550)

Theodore Stevenson, III (Texas State Bar #19196650)

McKool Smith, P.C.

300 Crescent Court, Suite 1500

Dallas, Texas 75201

Telephone: (214) 978-4000 Facsimile: (214) 978-4044

Email: mmckool@mckoolsmith.com Email: dcawley@mckoolsmith.com Email: tstevenson@mckoolsmith.com

Samuel F. Baxter (Texas State Bar #01938000)

McKool Smith, P.C.

104 E. Houston Street, Suite 300

P.O. Box 0

Marshall, Texas 75670

Telephone: (903) 923-9000 Facsimile: (903) 923-9099

Email: sbaxter@mckoolsmith.com

Attorneys for Plaintiffs

ERICSSON INC. and

TELEFONAKTIEBOLAGET LM ERICSSON

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing was electronically filed with the CM/ECF system per LR 5.1, and that all interested parties are being served with a true and correct copy of these documents via the CM/ECF system on May 18, 2015.

/s/ Henry C. Bunsow Henry C. Bunsow