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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

JOSEPH PRENCIPE, an individual;
McLEAR & Co, a Delaware corporation, dba
NFC RING

Plaintiffs,

vs.

KERV WEARABLES LTD, a United
Kingdom Limited Corporation,

Defendants.

Case No.: 2:16-cv-02441-GMN-GWF

**FIRST AMENDED COMPLAINT FOR
PATENT INFRINGEMENT; VIOLATION
OF THE LANHAM ACT;
MISAPPROPRIATION OF TRADE
SECRETS**

JURY DEMAND

Plaintiffs JOSEPH PRENCIPE and McLEAR & Co. (hereinafter "McLEAR" or "Plaintiff") alleges, based on actual knowledge with respect to Plaintiff and Plaintiff's acts, and based on information and belief with respect to all other matters, against Defendant KERV WEARABLES LTD (hereinafter "KERV" or "Defendant") as follows:

NATURE OF THE CASE

1. This is a civil suit for patent infringement under the patent laws of the United States, 35 U.S.C. §§ 1 et seq., and specifically under 35 U.S.C. §§ 271 and 281.

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- 1 2. This case also involves other related causes of action based on Kerv's infringing
2 activities which include violations of the Lanham Act as contained in 41 U.S.C. §
3 1125(a)(1) and trade secret misappropriation under 18 U.S.C. § 1836.

4 PARTIES

- 5 3. Plaintiff JOSEPH PRENCIPE is the original patent holder of U.S. Pat. No. 9,313,609
6 and is a resident of California.
- 7 4. Plaintiff McLEAR & Co is a Delaware corporation and the patent assignee of U.S.
8 Pat. No. 9,313,609 and does business under the trade name NFC RING.
- 9 5. Defendant KERV WEARABLES LTD is a Corporation organized under the laws of
10 the United Kingdom with a principle place of business located at 316 Beulah Hill,
11 London, SE19 3HF.

12 JURISDICTION AND VENUE

- 13 6. This Court has federal question and diversity subject matter jurisdiction of this action.
14 The Court has federal question jurisdiction under 28 U.S.C. § 1331 and 1338(a)
15 because of the claim under 35 U.S.C. § 271 for patent infringement. The Court has
16 diversity jurisdiction under 28 U.S.C. § 1332 because PRENCIPE is a California
17 resident, McLEAR is a citizen of Delaware and KERV is a citizen or subject of a
18 foreign state (United Kingdom), and because the amount in controversy, exclusive of
19 interest and costs, exceeds seventy-five thousand dollars (\$75,000).
- 20 7. This Court has personal jurisdiction in this action because KERV conducts business,
21 including attending trade shows, advertising, importing, selling and/or offering to sell
22 products in connection with the allegations of this lawsuit, in the United States of
23 America
- 24 8. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400, because the injuries
25 from KERV'S actions are felt in this district, and because KERV is subject to personal
26 jurisdiction in this district.
- 27
- 28

STATEMENT OF FACTS

9. On December 28, 2012, Joseph Nicholi Prencipe (hereinafter "Prencipe") filed a patent application for the NFC Ring® (hereinafter the "NFC Ring").
10. The NFC Ring is a wearable ring device equipped with an internal transmitter enabling the wearer to make contactless payments.
11. Prencipe owns all right, title and interest in the Patent, including the right to sue thereon and the right to recover for infringement thereof.
12. The patent for the NFC Ring was issued on April 12, 2016 as U.S. Pat. No. 9,313,609 (hereinafter the "Patent") and will expire on April 12, 2030. A copy of the Patent is attached hereto as Exhibit A. The Patent gives the owner the right to exclude others from making, using, offering for sale, and selling the invention claimed in the patent within the United States and from importing the invention claimed in the Patent into the United States.
13. That McLEAR & Co. is the assignee and successor in interest to all of Prencipe's right title and interest to the Patent.
14. On July 20, 2013, McLEAR Ltd. a U.K. Company announced the world's first smart ring on Kickstarter. McLEAR Ltd. began marketing and distributing the NFC Ring shortly thereafter.
15. McLEAR Ltd. then released and demonstrated the NFC Ring on September 19, 2015 at Henry Holland's Show at the London Fashion Week.
16. On September 10, 2015, McLEAR Ltd. became aware that KERV was attempting to market a contactless payment ring similar to the NFC Ring and in clear violation of its intellectual property rights.
17. McLEAR Ltd. Assigned all of its rights to the NFC Ring in the U.S. market to McLEAR & Co.
18. Upon further investigation, McLEAR learned that KERV was introduced to McLEAR's antenna factory in China.

- 1 19. Upon information and belief, McLEAR 's antenna is the only antenna in the world
2 designed for placement in a ring specifically made to meet Europay, MasterCard,
3 and Visa certification standards.
- 4 20. Shortly after this introduction, began producing their own contactless payment ring.
- 5 21. On September 10, 2015, McLEAR Ltd contacted KERV by email putting KERV on
6 notice that McLEAR Ltd. had already created a contactless payment ring.
- 7 22. In addition to the September 10, 2015 email, between September 11, 2015 and
8 September 24, 2015, McLEAR Ltd. had further correspondence with KERV
9 regarding the competing payment rings.
- 10 23. Therefore, as of September 10, 2015, KERV was on notice that the NFC Ring pre-
11 dated their own payment ring product.
- 12 24. Despite being on notice of the NFC Ring, on September 24, 2015, KERV launched
13 its own payment ring via a Kickstarter campaign.
- 14 25. The title of the Kickstarter campaign was "Kerv – the world's first contactless
15 payment ring."
- 16 26. KERV also made the same claim on their website located at www.kerv.com, social
17 media (Twitter and Facebook), and at conference events including: 1) the Wearable
18 Technology Show 2016 in London on March 15-16, 2016; 2) the TCF Innovation
19 Jam in London on April 13, 2016; 3) the Card & Payments Innovation Summit on
20 May 16-17, 2016 in London; and 4) the PayExpo Europe Conference on June 7-8,
21 2016 in London.
- 22 27. KERV is making, using, offering for sale, selling, and/or importing their contactless
23 payment ring which appears to copy the NFC Ring, constituting infringement of at
24 least claims 1, 6, and 13 of the Patent.
- 25 28. KERV had announced through bank card partners its intention to exhibit and offer
26 for sale the infringing "Kerv Ring" at the Money 20/20 convention to be held
27 October 23 – 26, 2016 in Las Vegas, Nevada.
- 28

FIRST CLAIM FOR RELIEF

(Patent Infringement)

29. Plaintiff incorporates by reference, and reaffirms each and every allegation previously asserted as if fully set forth herein.
30. KERV has infringed and is infringing the Patent by making, using, selling, offering to sell, and/or importing the Kerv Ring in Las Vegas, Nevada.
31. Infringement by KERV has been and continues to be willful.
32. McLEAR has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, through lost profits, lost sales, and/or lost royalties, due to infringement by Kerv.
33. McLEAR has suffered, and will continue to suffer, permanent and irreparable injury, for which McLEAR has no adequate remedy at law.
34. McLEAR is entitled to relief as provided by 35 U.S.C. §§ 281, 283, 284, 285, and 289.
35. It has been necessary for Plaintiff to retain the services of an attorney to prosecute this action and, therefore, Plaintiff is entitled to reasonable attorney's fees and costs, prejudgment interest, and such other and further relief the court deems proper resulting from this action.

SECOND CLAIM FOR RELIEF

(Violation of the Lanham Act)

36. Plaintiff incorporates by reference, and reaffirms each and every allegation previously asserted as if fully set forth herein.
37. The Lanham Act, as contained in 41 U.S.C. §1125(a)(1), states:
- Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –

1 A. Is likely to cause confusion, or to cause mistake, or to
2 deceive as to the affiliation, connection, or association of
3 such person with another person, or as to the origin,
4 sponsorship, or approval of his or her goods, services, or
5 commercial activities by another person, or

6 B. In commercial advertising or promotion, misrepresents the
7 nature, characteristics, qualities, or geographic origin of his
8 or her or another person's goods, services, or commercial
9 activities,

10 Shall be liable in a civil action by any person who believes that he
11 or she is or is likely to be damaged by such act.

12 38. KERV made a false or misleading statement of fact when it claimed that the Kerv
13 Ring was "the world's first contactless payment ring," despite being on notice that
14 McLEAR had already been marketing the NFC Ring for approximately two years.

15 39. KERV'S made their claim to commercially advertise their product in the Kickstarter
16 campaign, on their website, and at various tradeshows.

17 40. KERV'S claim that its product was the world's first contactless payment ring is
18 materially deceptive.

19 41. McLEAR has suffered, and will continue to suffer, substantial damages in an amount
20 to be proven at trial, through lost profits, lost sales, and/or lost royalties, due to
21 KERV'S false and deceptive claim.

22 42. It has been necessary for Plaintiff to retain the services of an attorney to prosecute this
23 action and, therefore, Plaintiff is entitled to reasonable attorney's fees and costs,
24 prejudgment interest, and such other and further relief the court deems proper resulting
25 from this action.

THIRD CLAIM FOR RELIEF

(Misappropriation of Trade Secrets)

43. Plaintiff incorporates by reference, and reaffirms each and every allegation previously asserted as if fully set forth herein.

44. The Economic Espionage Act as contained in 18 U.S.C. 1836 states in relevant part:

An owner of a trade secret that is misappropriated may bring a civil action under this subsection if the trade secret is related to a product or service used in, or intended for use in, interstate or foreign commerce.

45. McLEAR utilized a factory in China for the production of certain key components in the production of the NFC ring, namely the antenna.

46. Upon information and belief, KERV was introduced to McLEAR 's factory and shortly thereafter began producing its own contactless payment ring.

47. KERV misappropriated McLEAR 's trade secrets when it began using these secrets in the production of its own contactless payment ring.

48. The trade secrets related to the production of the antenna customized to pass Europay, MasterCard, and Visa certification standards are an integral component of the NFC Ring which is marketed and sold within interstate and foreign commerce.

49. McLEAR has suffered, and will continue to suffer, substantial damages in an amount to be proven at trial, through lost profits, lost sales, and/or lost royalties, due to KERV'S misappropriating of McLEAR 's trade secrets.

50. It has been necessary for Plaintiff to retain the services of an attorney to prosecute this action and, therefore, Plaintiff is entitled to reasonable attorney's fees and costs, prejudgment interest, and such other and further relief the court deems proper resulting from this action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays or judgment against Defendant as follows:

1. That KERV has infringed, and is infringing, the Patent in violation of 35 U.S.C. § 271;

2. That infringement by KERV is willful;
3. That KERV be preliminarily and permently enjoined against all acts of patent infringement, including but not limited to making, using, selling, offering to sell, and importing the KERV Ring;
4. That KERV be required to deliver to McLEAR for destruction, any and all articles in its possession and/or under its control that infringe the Patent, including but not limited to all KERV Rings and associated packaging and advertisements;
5. That KERV be ordered to pay McLEAR the damages that McLEAR has suffered due to patent infringement by KERV, together with interest thereon;
6. That KERV be ordered to account for and pay McLEAR the total profits KERV has received from the sale of products infringing the Patent;
7. That this case be declared exception pursuant to 35 U.S.C. § 285, due to willful infringement by KERV, and that McLEAR be awarded treble damages and its reasonable attorneys' fees and costs; and
8. For such other and further relief that this Court deems just and proper.

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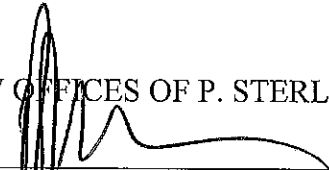
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JURY DEMAND

McLEAR hereby demands a trial by jury of all issues so triable.

Dated this 26th day of October, 2016.

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CERTIFICATE OF SERVICES

Pursuant to FRCP 5(b), I certify that I am an employee of the Law Offices of P. Sterling Kerr, and on this 26th day of October, 2016, I caused a true and correct copy of the **FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT; VIOLATION OF LANHAM ACT; MISAPPOPRIATION OF TRADE SECRETS** to the Clerk's Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to the following CM/ECF registrants:

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