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7  
8 UNITED STATES DISTRICT COURT  
9 SOUTHERN DISTRICT OF CALIFORNIA

10  
11 APPLE INC.,

12 Plaintiff,

13 vs.

14 WI-LAN, INC.,

15 Defendant

Case No.: 3:14-cv-2235-DMS-BLM

**THIRD AMENDED COMPLAINT  
FOR DECLARATORY JUDGMENT**

**DEMAND FOR JURY TRIAL**

Department: 13A  
Judge: Hon. Dana M. Sabraw  
Magistrate Judge: Hon. Barbara L. Major

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17  
18 Plaintiff Apple Inc. (“Apple”) for its Third Amended Complaint against Wi-  
19 LAN, Inc. (“Wi-LAN” or “Defendant”) hereby demands a jury trial and alleges as  
20 follows:

21 **NATURE OF THE ACTION**

22 1. This is an action for declaratory judgment of non-infringement,  
23 invalidity, and unenforceability of United States Patent Nos. 8,457,145 (the “145  
24 Patent”); 8,462,723 (the “723 Patent”); 8,462,761 (the “761 Patent”); 8,615,020  
25 (the “020 Patent”); 8,537,757 (the “757 Patent”); and 8,311,040 (the “040  
26 Patent”) (collectively, the “Patents-In-Suit”) pursuant to the Declaratory Judgment  
27 Act, 28 U.S.C. §§ 2201–02, and the patent laws of the United States, 35 U.S.C.  
28 § 100 et seq., and for such other relief as the Court deems just and proper.

1 **PARTIES**

2 2. Plaintiff Apple is a corporation organized and existing under the laws  
3 of California, with its principal place of business at 1 Infinite Loop, Cupertino,  
4 California 95014.

5 3. On information and belief, defendant Wi-LAN is a corporation  
6 organized and existing under the laws of Canada and having its principal place of  
7 business at 303 Terry Fox Drive, Suite 300, Ottawa, Ontario, Canada.

8 4. As alleged herein, Wi-LAN has engaged in various acts in and  
9 directed to California.

10 **JURISDICTION AND VENUE**

11 5. This Court has exclusive subject matter jurisdiction pursuant to 28  
12 U.S.C. §§ 1331, 1338(a), 1367, 2201, and 2202, and the patent laws of the United  
13 States, 35 U.S.C. § 1, et seq. Venue is proper in this judicial district pursuant to 28  
14 U.S.C. §§ 1391 and 1400.

15 6. Wi-LAN purports to be the owner of all rights, title, and interest in  
16 and to the Patents-In-Suit. Wi-LAN has made statements alleging that Apple  
17 infringes the Patents-In-Suit and demanding that Apple license the Patents-In-Suit.  
18 Furthermore, Wi-LAN has demonstrated its ability and willingness to file suit  
19 through its initiation of multiple lawsuits against Apple and other similarly situated  
20 companies. Apple has not infringed and does not infringe, either directly or  
21 indirectly, any valid and enforceable claim of any of the Patents-In-Suit, either  
22 literally or under the doctrine of equivalents, nor is Apple aware of any  
23 infringement of any of the Patents-In-Suit. A substantial controversy exists  
24 between the parties which is of sufficient immediacy and reality to warrant  
25 declaratory relief.

26 7. This Court has personal jurisdiction over Wi-LAN. Wi-LAN has  
27 conducted business in and directed to California, including pertaining to the  
28 Patents-In-Suit, and has engaged in various acts in and directed to California.

1 Additionally, Wi-LAN purchased the Patents-In-Suit (or underlying patent  
2 applications) from the inventors and/or former assignees believed to be located in  
3 California. Wi-LAN is in the business of asserting patent infringement claims and  
4 suing companies for patent infringement. In connection with that business, Wi-  
5 LAN has targeted and met with companies in Santa Clara County, including  
6 Apple.

### 7 **BACKGROUND OF PARTIES**

8 8. Apple is an American multinational corporation and leading designer  
9 and manufacturer of mobile communication devices, personal computers, and  
10 portable digital media players. As a result of its significant investment in research  
11 and development, Apple has developed innovative technologies that have changed  
12 the face of the computer and telecommunications industries. For example, when  
13 Apple introduced the first iPhone in 2007, it revolutionized the way people view  
14 mobile phones.

15 9. Apple introduced another revolutionary product, the iPad, in 2010.  
16 The iPad is an elegantly designed computer tablet with a color touch screen, a user  
17 interface similar to the iPhone's user interface, and robust functionality that  
18 includes mobile computing, media storage and playback, and cellular connectivity.  
19 Because of its innovative technology and distinctive design, the iPad achieved  
20 instant success.

21 10. Since 2006, Wi-LAN has been solely in the business of acquiring and  
22 asserting patents. Wi-LAN's business model revolves around threatening to  
23 initiate litigation against technology companies to extract licensing fees. If a  
24 company fails to take a license, Wi-LAN initiates litigation. Wi-LAN has used this  
25 approach on over 275 companies.

26 11. Since 2007, Wi-LAN has sued Apple on at least four other occasions.  
27 On October 31, 2007 Wi-LAN sued Apple, and over 25 other defendants, asserting  
28 infringement of U.S. Patent Nos. 5,282,222 and RE37,802. (*Wi-LAN Inc. v. Acer,*

1 *Inc.*, E.D. Tex. Case No. 2:07-cv-00473.) On September 1, 2011, Wi-LAN again  
2 sued Apple and nine other defendants asserting infringement of U.S. Patent Nos.  
3 5,282,222 and RE37,802. (*Wi-LAN Inc. v. Apple Inc. et al.*, E.D. Tex. Case No.  
4 6:11-cv-453.) On December 12, 2012, Wi-LAN filed two new suits against Apple:  
5 one case in the Eastern District of Texas asserting infringement of U.S. Patent No.  
6 6,381,211 and one in the Southern District of Florida asserting infringement of  
7 U.S. Patent Nos. 8,315,640 and 8,311,040 (“Wi-LAN LTE Litigation”). (*See Wi-*  
8 *LAN Inc. v. Apple Inc.*, E.D. Tex. Case No. 6:12-cv-920; *Wi-LAN Inc. v. Apple*  
9 *Inc.*, S.D. Fla. Case No. 1:12-cv-24318.)

10 12. On or around June 16, 2014 while the Wi-LAN LTE Litigation was  
11 still pending, Wi-LAN sent an email to Apple putting Apple on notice of  
12 infringement of the Patents-In-Suit, alleging infringement by Apple products such  
13 as the iPhone and iPad (the “Wi-LAN Notice Letter”). Most of the Patents-In-Suit  
14 are included in the same patent family as one of the patents at issue in the Wi-LAN  
15 LTE Litigation.

16 13. Given the contents of the Wi-LAN Notice Letter, Wi-LAN’s prior  
17 litigation history with Apple, and the relationship of the Patents-In-Suit to one of  
18 the patents in the current Wi-LAN LTE Litigation, there is an actual case or  
19 controversy regarding whether Apple infringes the Patents-In-Suit and whether the  
20 Patents-In-Suit are valid.

21 14. Furthermore, Wi-LAN has filed counterclaims of infringement against  
22 Apple related to each of the Patents-in-Suit. (ECF No. 121.)

### 23 **THE PATENTS-IN-SUIT**

24 15. The ’145 Patent is entitled “Method and Apparatus for Bandwidth  
25 Request/Grant Protocols in a Wireless Communication System” and bears an  
26 issuance date of June 4, 2013. A copy of the ’145 Patent is attached hereto as  
27 Exhibit 1.

28 16. The ’723 Patent is entitled “Method and Systems for Transmission of

1 Multiple Modulated Signals Over Wireless Networks” and bears an issuance date  
2 of June 11, 2013. A copy of the ’723 Patent is attached hereto as Exhibit 2.

3 17. The ’761 Patent is entitled “Method and System for Adaptively  
4 Obtaining Bandwidth Allocation Requests” and bears an issuance date of June 11,  
5 2013. A copy of the ’761 Patent is attached hereto as Exhibit 3.

6 18. The ’020 Patent is entitled “Method and System for Adaptively  
7 Obtaining Bandwidth Allocation Requests” and bears an issuance date of  
8 December 24, 2013. A copy of the ’020 Patent is attached hereto as Exhibit 4.

9 19. The ’757 Patent is entitled “Adaptive Call Admission Control for Use  
10 in a Wireless Communication System” and bears an issuance date of September  
11 17, 2013. A copy of the ’145 Patent is attached hereto as Exhibit 5.

12 20. The ’040 Patent is entitled “Packing Source Data Packets into  
13 Transporting Packets with Fragmentation” and bears an issuance date of November  
14 13, 2012. A copy of the ’040 Patent is attached hereto as Exhibit 6.

15 **COUNT I: DECLARATION OF NONINFRINGEMENT**  
16 **OF U.S. PATENT NO. 8,457,145**

17 21. Apple repeats and realleges the allegations in paragraphs 1–19 as  
18 though fully set forth herein.

19 22. Apple has not infringed and does not infringe, directly or indirectly,  
20 any valid and enforceable claim of the ’145 Patent.

21 23. As a result of the acts described in the foregoing paragraphs, there  
22 exists a substantial controversy of sufficient immediacy and reality to warrant the  
23 issuance of a declaratory judgment.

24 24. A judicial declaration is necessary and appropriate so that the Apple  
25 may ascertain its rights regarding the ’145 Patent.

26 **COUNT II: DECLARATION OF INVALIDITY**  
27 **OF U.S. PATENT NO. 8,457,145**

28 25. Apple repeats and realleges the allegations in paragraphs 1–23 as

1 though fully set forth herein.

2 26. The '145 Patent is invalid for failure to meet the conditions of  
3 patentability and/or otherwise to comply with one or more of 35 U.S.C. §§ 100 et  
4 seq., 101, 102, 103, 112 and 132.

5 27. As a result of the acts described in the foregoing paragraphs, there  
6 exists a substantial controversy of sufficient immediacy and reality to warrant the  
7 issuance of a declaratory judgment.

8 28. A judicial declaration is necessary and appropriate so that Apple may  
9 ascertain its rights regarding the '145 Patent.

10 **COUNT III: DECLARATION OF NONINFRINGEMENT**  
11 **OF U.S. PATENT NO. 8,462,723**

12 29. Apple repeats and realleges the allegations in paragraphs 1–27 as  
13 though fully set forth herein.

14 30. Apple has not infringed and does not infringe, directly or indirectly,  
15 any valid and enforceable claim of the '723 Patent.

16 31. As a result of the acts described in the foregoing paragraphs, there  
17 exists a substantial controversy of sufficient immediacy and reality to warrant the  
18 issuance of a declaratory judgment.

19 32. A judicial declaration is necessary and appropriate so that Apple may  
20 ascertain its rights regarding the '723 Patent.

21 **COUNT IV: DECLARATION OF INVALIDITY**  
22 **OF U.S. PATENT NO. 8,462,723**

23 33. Apple repeats and realleges the allegations in paragraphs 1–31 as  
24 though fully set forth herein.

25 34. The '723 Patent is invalid for failure to meet the conditions of  
26 patentability and/or otherwise to comply with one or more of 35 U.S.C. §§ 100 et  
27 seq., 101, 102, 103, 112 and 132.

28 35. As a result of the acts described in the foregoing paragraphs, there

1 exists a substantial controversy of sufficient immediacy and reality to warrant the  
2 issuance of a declaratory judgment.

3 36. A judicial declaration is necessary and appropriate so that Apple may  
4 ascertain its rights regarding the '723 Patent.

5 **COUNT V: DECLARATION OF NONINFRINGEMENT**  
6 **OF U.S. PATENT NO. 8,462,761**

7 37. Apple repeats and realleges the allegations in paragraphs 1–35 as  
8 though fully set forth herein.

9 38. Apple has not infringed and does not infringe, directly or indirectly,  
10 any valid and enforceable claim of the '761 Patent.

11 39. As a result of the acts described in the foregoing paragraphs, there  
12 exists a substantial controversy of sufficient immediacy and reality to warrant the  
13 issuance of a declaratory judgment.

14 40. A judicial declaration is necessary and appropriate so that Apple may  
15 ascertain its rights regarding the '761 Patent.

16 **COUNT VI: DECLARATION OF INVALIDITY**  
17 **OF U.S. PATENT NO. 8,462,761**

18 41. Apple repeats and realleges the allegations in paragraphs 1–39 as  
19 though fully set forth herein.

20 42. The '761 Patent is invalid for failure to meet the conditions of  
21 patentability and/or otherwise to comply with one or more of 35 U.S.C. §§ 100 et  
22 seq., 101, 102, 103, 112 and 132.

23 43. As a result of the acts described in the foregoing paragraphs, there  
24 exists a substantial controversy of sufficient immediacy and reality to warrant the  
25 issuance of a declaratory judgment.

26 44. A judicial declaration is necessary and appropriate so that Apple may  
27 ascertain its rights regarding the '761 Patent.  
28





1           54. Apple has not infringed and does not infringe, directly or indirectly,  
2 any valid and enforceable claim of the '757 Patent.

3           55. As a result of the acts described in the foregoing paragraphs, there  
4 exists a substantial controversy of sufficient immediacy and reality to warrant the  
5 issuance of a declaratory judgment.

6           56. A judicial declaration is necessary and appropriate so that Apple may  
7 ascertain its rights regarding the '757 Patent.

8                                   **COUNT X: DECLARATION OF INVALIDITY**  
9                                   **OF U.S. PATENT NO. 8,537,757**

10           57. Apple repeats and realleges the allegations in paragraphs 1–54 as  
11 though fully set forth herein.

12           58. The '757 Patent is invalid for failure to meet the conditions of  
13 patentability and/or otherwise to comply with one or more of 35 U.S.C. §§ 100 et  
14 seq., 101, 102, 103, 112 and 132.

15           59. As a result of the acts described in the foregoing paragraphs, there  
16 exists a substantial controversy of sufficient immediacy and reality to warrant the  
17 issuance of a declaratory judgment.

18           60. A judicial declaration is necessary and appropriate so that Apple may  
19 ascertain its rights regarding the '757 Patent.

20                                   **COUNT XI: DECLARATION OF NONINFRINGEMENT**  
21                                   **OF U.S. PATENT NO. 8,311,040**

22           61. Apple repeats and realleges the allegations in paragraphs 1–59 as  
23 though fully set forth herein.

24           62. Apple has not infringed and does not infringe, directly or indirectly,  
25 any valid and enforceable claim of the '040 Patent.

26           63. As a result of the acts described in the foregoing paragraphs, there  
27 exists a substantial controversy of sufficient immediacy and reality to warrant the  
28 issuance of a declaratory judgment.

1           64. A judicial declaration is necessary and appropriate so that Apple may  
2 ascertain its rights regarding the '040 Patent.

3                           **COUNT XII: DECLARATION OF INVALIDITY**  
4                           **OF U.S. PATENT NO. 8,311,040**

5           65. Apple repeats and realleges the allegations in paragraphs 1–63 as  
6 though fully set forth herein.

7           66. The '040 Patent is invalid for failure to meet the conditions of  
8 patentability and/or otherwise to comply with one or more of 35 U.S.C. §§ 100 et  
9 seq., 101, 102, 103, 112 and 132.

10           67. As a result of the acts described in the foregoing paragraphs, there  
11 exists a substantial controversy of sufficient immediacy and reality to warrant the  
12 issuance of a declaratory judgment.

13           68. A judicial declaration is necessary and appropriate so that Apple may  
14 ascertain its rights regarding the '040 Patent.

15                           **COUNT XIII: DECLARATION OF UNENFORCEABILITY**  
16                           **DUE TO UNCLEAN HANDS**

17           69. Apple repeats and realleges the allegations in paragraphs 1–58 as  
18 though fully set forth herein.

19           70. Wi-LAN has engaged in conduct comprising unclean hands rendering  
20 the Patents-In-Suit unenforceable in this action. Wi-LAN has engaged in a pattern  
21 and practice of improper activity to acquire, license, and assert its patents in bad  
22 faith, including by making claims of patent infringement with knowledge that the  
23 patents are not actually infringed or are invalid, unenforceable, and/or not infringed  
24 by the accused standards and products. Apple manufactures and sells products  
25 accused in this action, and Wi-LAN's assertions have thus caused Apple to incur  
26 substantial damages as a result of Wi-LAN's bad faith conduct.

27           71. For example, prior to and during the time that Wi-LAN was asserting  
28

1 the Patents-In-Suit against Apple, Wi-LAN had knowledge that the Patents-In-Suit  
2 are invalid. Nevertheless, Wi-LAN asserted the Patents-In-Suit against products  
3 relating to the accused standard and accused products in bad faith.

4 72. Wi-LAN has asserted its patents against Apple in bad faith. For  
5 example, Wi-LAN sued Apple alleging infringement of U.S. Patent No. RE37,802,  
6 but Apple was found not to infringe any of the claims of the that patent. Wi-LAN  
7 also sued Apple alleging infringement of U.S. Patent No. 6,381,211, but the patent  
8 was found invalid. Wi-LAN has recently filed four litigations against Apple and  
9 has failed to prevail in any of them. Yet Wi-LAN continues to target Apple and  
10 threaten litigation against it.

11 73. Wi-LAN's pattern of asserting patents known to be invalid,  
12 unenforceable, and/or not infringed, including the Patents-In-Suit, has facilitated  
13 Wi-LAN's acquisition of additional patents which Wi-LAN then, in turn, has  
14 improperly asserted against others.

15 74. Additionally, Wi-LAN has been accused of bad faith in connection  
16 with ownership of patents. For example, according to Telus Corporation  
17 ("Telus"), Telus has ownership rights in patents allegedly assigned to Wi-LAN.  
18 According to Telus, Wi-LAN wrongfully attempted to transfer ownership of  
19 patents from Telus to Wi-LAN. *See Telus Corp. v. Wi-LAN Inc.*, Action No. 0901-  
20 06070 (Queen's Bench of Alberta, filed Apr. 23, 2009).

21 75. In accordance with the doctrine of unclean hands, Wi-LAN's acts,  
22 practices, and misconduct described above have damaged Apple and bar Wi-  
23 LAN's enforcement of the Patents-In-Suit against Apple.

24 76. As a result of the acts described in the foregoing paragraphs, there  
25 exists a substantial controversy of sufficient immediacy and reality to warrant the  
26 issuance of a declaratory judgment.

27 77. A judicial declaration is necessary and appropriate so that Apple may  
28 ascertain its rights regarding the Patents-In-Suit.

**PRAYER FOR RELIEF**

**WHEREFORE**, Apple respectfully requests that judgment be entered in its favor and pray that the Court grant the following relief:

A. A declaration that Apple has not infringed, either directly or indirectly, any valid and enforceable claim of the '145 Patent;

B. A declaration that the claims of the '145 Patent are invalid;

C. A declaration that Apple has not infringed, either directly or indirectly, any valid and enforceable claim of the '723 Patent;

D. A declaration that the claims of the '723 Patent are invalid;

E. A declaration that Apple has not infringed, either directly or indirectly, any valid and enforceable claim of the '761 Patent;

F. A declaration that the claims of the '761 Patent are invalid;

G. A declaration that Apple has not infringed, either directly or indirectly, any valid and enforceable claim of the '020 Patent;

H. A declaration that the claims of the '020 Patent are invalid;

I. A declaration that Apple has not infringed, either directly or indirectly, any valid and enforceable claim of the '757 Patent;

J. A declaration that the claims of the '757 Patent are invalid;

K. A declaration that Apple has not infringed, either directly or indirectly, any valid and enforceable claim of the '040 Patent;

L. A declaration that the claims of the '040 Patent are invalid;

M. An order declaring that Apple is a prevailing party and that this is an exceptional case, awarding Apple its costs, expenses, disbursements, and reasonable attorney fees under 35 U.S.C. § 285 and all other applicable statutes, rules and common law; and

N. Such other and further relief as this Court may deem just and proper.

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**JURY DEMAND**

Apple hereby respectfully demands a trial by jury on all issues and claims so triable.

DATED: August 1, 2017

Respectfully submitted,

/s/ Mark C. Scarsi

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**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing document will be served,  
via the Court’s CM/ECF system, upon all counsel of record on August 1, 2017.

/s/ Ashlee N. Lin  
Ashlee N. Lin