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LINKSMART WIRELESS TECHNOLOGY, LLC

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

LINKSMART WIRELESS TECHNOLOGY,
LLC

Plaintiff,

v.

MGM RESORTS INTERNATIONAL

Defendant.

Case No.: 2:18-cv-00867

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Linksmart Wireless Technology, LLC (“Linksmart” or “Plaintiff”), files this
2 Complaint against MGM Resorts International (“MGM” or “Defendant”), and alleges as follows:

3 1. This action arises under the Patent Laws of the United States, 35 U.S.C. §§ 100, et
4 seq. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

5 **Nature of the Action**

6 2. This is a civil action for patent infringement arising under the patent laws of the
7 United States, Title 35, United States Code, including 35 U.S.C. §§ 271 *et seq.* and 281-285.

8 3. On June 27, 2017, the U.S. Patent and Trademark Office duly and legally issued
9 U.S. Reissued Patent No. RE46,459 (the “’459 patent” or “Asserted Patent”), entitled “User
10 specific automatic data redirection system,” to Koichiro Ikudome and Moon Tai Yeung as the
11 named inventors after full and fair examination. A true and correct copy of the ’459 patent is
12 attached hereto as Exhibit A and incorporated herein by reference.

13 4. MGM has infringed and continues to infringe one or more claims of the Asserted
14 Patent.

15 **The Parties**

16 5. Linksmart was founded by Koichuru (“Ko”) Ikudome, who along with co-inventor
17 Moon Tai Yeung, created the innovation claimed by the ’459 patent.

18 6. In 1996, Mr. Ikudome, after over a decade of IT industry and business experience
19 in Japan and the United States, founded and became the CEO of Auric Web Systems, Inc. (later
20 renamed AuriQ Systems, Inc.). Mr. Ikudome and Mr. Yeung, Auric’s Director of Technology,
21 developed innovative and fundamental technologies for users and Internet service providers (ISPs)
22 to enable access to information and commerce on the then-nascent Internet and World Wide Web.

23 7. Among Auric’s significant product innovations was the “WEBGate card.” Auric
24 created the WEBGate card as a prepaid long-distance Internet access card with a pre-determined
25 time limit. Like a prepaid phone card, the Auric’s innovative WEBGate card allowed Internet
26 access from anywhere in the United States without paying a long-distance phone bill or looking
27 up local access numbers when users were away from their home or office. As Auric further
28 developed the technology needed to make WEBGate work, Auric also developed other innovative

1 products to enable electronic commerce on the Internet, such as EC Gateway, which combined an
2 access control system at an ISP system with a CGI module to add customizable graphical buttons
3 to a merchant's homepage to allow customers to make purchases more easily and add value to
4 Internet services.

5 8. While Auric's Internet access products received substantial interest and found some
6 customers, the dot-com crash intervened and directly damaged the potential customers for this
7 product. Auric was thus forced to seek out new business directions, ultimately resulting in AuriQ
8 Systems' present-day business focused on data analytics. Mr. Ikudome subsequently formed
9 Linksmart as a way to continue to derive value from the intellectual property of his and Auric's
10 innovative technological contributions, including the Asserted Patent. Many companies have
11 directly benefitted from the licensed use of Linksmart's patented technology in the products and
12 services they provide to their customers. MGM, however, has taken advantage of Linksmart's
13 patented technology, selling products and services that practice the '459 patent, in wanton
14 disregard of Linksmart's exclusive property rights.

15 9. Plaintiff Linksmart is a limited liability company organized and existing under the
16 laws of State of California with its principal place of business at 199 S. Los Robles, Suite 440,
17 Pasadena, California 91101.

18 10. Defendant MGM is a corporation organized and existing under the laws of the State
19 of Delaware. MGM has its headquarters in the State of Nevada, located at 3600 Las Vegas
20 Boulevard South, Las Vegas, Nevada 89109. MGM's registered agent is CSC Services of Nevada,
21 Inc., located at 2215-B Renaissance Drive, Las Vegas, Nevada 89119.

22 **Jurisdiction**

23 11. Subject matter jurisdiction is conferred on this Court pursuant to 28 U.S.C. §§ 1331
24 and 1338(a).

25 12. Defendant MGM is subject to this Court's personal jurisdiction because it has a
26 regular and established place of business in this District, at its headquarters located at 3600 Las
27 Vegas Boulevard South, Las Vegas, Nevada 89109. MGM is also subject to this Court's personal
28 jurisdiction because MGM has committed and induced acts of patent infringement and has

1 regularly and systematically conducted and solicited business in this District by and through at
2 least its development, use, and testing of products and services, sales and offers for sale of products
3 and services, and other contractual arrangements with customers and third parties using such
4 MGM products and services located in and/or doing business in this District.

5 **Venue**

6 13. As set forth above, MGM has a regular and established place of business in this
7 District. Further, MGM has committed acts of infringement in this District, including, developing,
8 testing, distributing, advertising, operating, selling, offering for sale, using and/or supporting
9 products or services that fall within one or more claims of the Asserted Patent. Accordingly, venue
10 to adjudicate whether the Asserted Patent is infringed is appropriate in the District of Nevada
11 pursuant to 28 U.S.C. §§ 1391 and 1400(b).

12 **Linksmart's Patented Invention**

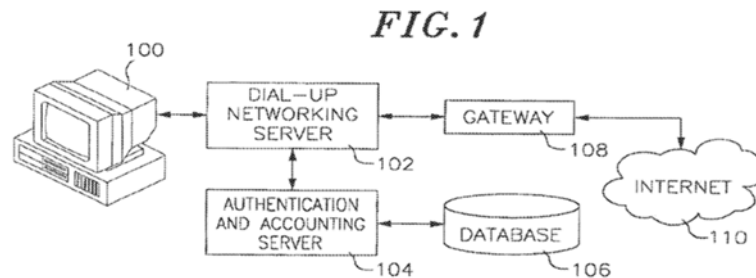
13 14. The '459 patent is directed to a system for Internet access in a server that
14 dynamically redirects users, i.e., a "redirection server," based on rules that are dynamically and
15 automatically modified by the redirection server itself based on a function of factors that may
16 include, among others, time, user input, data transmitted to the user, or the Internet location
17 accessed by the user.

18 15. The innovative technology underlying the '459 patent is described in "User Specific
19 Automatic Web Redirection System," a technical innovation report co-authored by Mr. Ikudome
20 and Mr. Yeung. This report was filed as U.S. Provisional Pat. App. No. 60/084,014 (the "'014
21 app."), which is attached hereto as Exhibit B and is incorporated herein by reference. The '459
22 patent claims priority to this provisional application, and its disclosure is incorporated fully in the
23 '459 patent's disclosure by reference.

24 16. The automatic redirection system described in the '459 patent provides a novel
25 architecture for Internet access. At the time of the invention, it was conventionally understood that
26 the World Wide Web was inherently a "passive system," in which the "user must supply the exact
27 destination, a Web site, before the desired information can be retrieved." *See* '014 app. at 4. When
28 a user was connected to the Internet, and the user requested a particular location on the Internet,

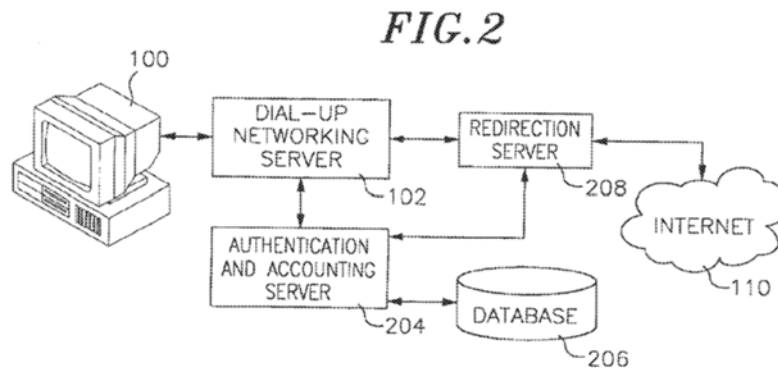
the user was sent to that requested location. Ikudome and Yeung developed an innovative automatic redirection system that could provide a more flexible way to mediate a user's access to the Internet.

17. Figure 1 of the '459 patent shows an ISP environment for Internet access in the absence of redirection:



18. In such a conventional ISP environment, a user accesses the Internet by connecting to the ISP, at which point networking software at the user end and the ISP begin "negotiating." The ISP authenticates a user's login information, typically from a database. Once authentication is successful, a network connection is established through the Internet gateway at the ISP. A commercial ISP may also send an accounting request to bill the user for the access.

19. Figure 2 of the '459 patent shows the role of a redirection server, as provided by the '459 patent, in the ISP environment:



20. In one embodiment described in the '459 patent, a redirection server runs on the gateway to the Internet. Once the user is connected to the ISP in this case, the user's requests to the Internet first go to the redirection server. There, the redirection server can filter the requests based on a rule set to either the location requested by the user, or some other location based on rule sets programmed in the redirection server. By way of example, rule sets could be programmed

1 such that a user would need to access a location, e.g., a page with advertising, before being able to
2 freely surf the Web. *See, e.g.*, '459 pat. at 7:10-13. As another example, a rule set could require a
3 user to access a questionnaire before accessing the Internet. *See* '459 pat. at 8:9-14.

4 21. Another embodiment described in the '459 patent further provides that the
5 redirection server is configured to be able to automatically modify the rule sets dynamically. For
6 example, if a questionnaire provided by an external server is filled out, the rule set can be changed
7 so that the user no longer needs to access the questionnaire to gain access to the Internet. *See* '459
8 pat. at 14-18. As another example of the redirection server automatically modifying the rule set if
9 a user has obtained access to the Internet through paid access for a limited time, the user's Internet
10 access could be disabled once that time has been exceeded. *See* '459 pat. at 7:65-8:2.

11 22. The unconventional features of the embodiments described by the '459 patent
12 provided improvements to and solved problems associated with redirection methods and systems
13 that existed at the time of the invention, as described in the '459 patent's disclosure. *See id.* at
14 1:48-3:3.

15 23. In the prior art, redirection was conventionally performed by html code on a web
16 page that a user would need to manually access after the user has already gained access to the
17 Internet. The '459 patent, however, describes embodiments that allow redirection to occur at the
18 Internet gateway or before the user can access to remote web servers. *See id.* at 2:6-11.

19 24. Another way in which redirection could be implemented in the prior art was packet
20 filtering at the Internet Protocol (IP) layer, for example, through a firewall device or firewall at the
21 Internet router. Information about an IP packet being sent through a network could be used to allow
22 filtering of the packet to different network locations. However, while packet filtering, e.g., at a
23 firewall, could be controlled locally by a network administrator, it was a static technology, in which
24 the rule set could only be changed by manually reprogramming the packet filtering device. '459
25 pat. at 2:29-36.

26 25. The '459 patent also describes prior methods in which packet filter devices were
27 used with proxy systems to control access to the Internet. In such a method, a packet filter or
28 firewall can prevent web access requests with the exception of traffic coming from a proxy server.

1 The way that proxy servers worked was that a terminal had to be allowed access to a proxy server
2 through which to send web requests. The proxy server was programmed with a list of blocked or
3 allowed addresses, and requests to addresses were blocked or allowed according to that list. As the
4 '459 patent describes, such systems were limited in that they could only block or allow specific
5 terminals or sets of terminals' access to remote sites, and the rules for access were static and needed
6 to be reprogrammed, i.e., by some external server, in order to change which locations specific
7 terminals could access. *See* '459 pat. at 2:65-3:3.

8 26. The '459 patent issued from U.S. Patent App. No. 14/691,246. The file history of
9 the application from which the patent issued is available from the United States Patent and
10 Trademark Office, including electronically through the Office's Public Patent Application
11 Information Retrieval (PAIR) website, and is incorporated by reference herein.

12 27. The '459 patent, therefore, provides an advantageous technological solution to the
13 problem of mediating user access to the Internet through a redirection server which can
14 automatically modify rule sets for redirection dynamically while connected to a user through a
15 network connection. Among the benefits of the '459 patent's novel redirection system solution is
16 that (1) redirection is automatic, i.e., a user does not need to request a particular external address;
17 it can be reconfigured for specific users or categories of users; (2) the system can be easily installed
18 and configured by the ISP and it is resilient to potential failures; and (3) the system can
19 dynamically reconfigure the rule set controlling the user's access to the Internet, such as by a
20 function of time or user or external inputs while the user is connected. *See, e.g.,* '014 app. at 8; *see*
21 *also* the '459 patent.

22 **Cause of Action**

23 **Infringement of the Linksmart Patent**

24 28. The foregoing paragraphs are incorporated by reference as if fully set forth herein.

25 29. MGM is unlawfully using Linksmart's patented technology. MGM relies on
26 technology covered by the Asserted Patent to, for example, provide Internet access to hotel and
27 resort guests.

28 ///

30. MGM has used, made, offered for sale, and/or sold Internet access systems for use in hotels and resorts, and elsewhere, that infringed the Asserted Patent, or induce or contribute to the infringement of the Asserted Patent.

31. MGM has directly infringed and will continue to infringe, directly and indirectly, through induced and/or contributory infringement, one or more claims of the '459 patent, including at least claim 91, among other claims, by making, using, selling, offering for sale, or importing in this District and elsewhere into the United States systems and/or methods covered by one or more claims of the '459 patent including, but not limited to the software and platform that MGM has developed for hotel and other guests to access ISP services while visiting a hotel or resort (the "Accused System"). Further discovery may reveal additional infringing products, devices, systems and/or methods.

32. By way of example only, the Accused System infringes an exemplary claim of the '459 patent, claim 91, as in the following description, which Linksmart provides without the benefit of information about the Accused System obtained through discovery. Claim 91 claims a system, such as the Accused System, comprising:

- a. *a redirection server programmed with a user's rule set correlated to a temporarily assigned network address.* MGM hotels, including, by way of example, the MGM Grand Las Vegas, provide this for the use of hotel guests to access the Internet. *See, e.g.,* "All accommodations offer high speed internet & WiFi." <https://mgmgrand.hyatt.com/en/hotel/our-hotel/internet-access.html>. The system that MGM provides at its hotels, such as the MGM Grand Las Vegas, provides that a rule set programmed in the redirection server initially forces and redirects the user's web browser to the hotel's Wi-Fi service portal. This is illustrated, as shown below, in the Wi-Fi Connection Instructions for the MGM Grand Wi-Fi network, as shown in the sheet available for download at <http://perspectives.skillsoft.com/2014/Assets/MGMGrandWi-Fi%20-%20MGM%20Grand%20Guest%20Instructions.pdf>. As shown, below,

when the user selects the “MGMGrandWiFi” network and accesses the Internet, the user’s device connects to the gateway server and is shown a site through which the user must access the Internet.



- b. *wherein the rule set contains at least one of a plurality of functions used to control data passing between the user and a public network. The server that provides the user’s gateway to the Internet at a location that has installed the MGM system is configured to be able to redirect users to the aforementioned portal regardless of the regardless of an Internet address that the user requests.*
- c. *wherein the redirection server is configured to automatically modify at least a portion of the rule set while the rule set is correlated to the temporarily assigned network address. For example, upon a user’s payment or other login authentication once the user enters information at the portal, the server modifies its rule set to allow that user to access to the Internet. See id.*

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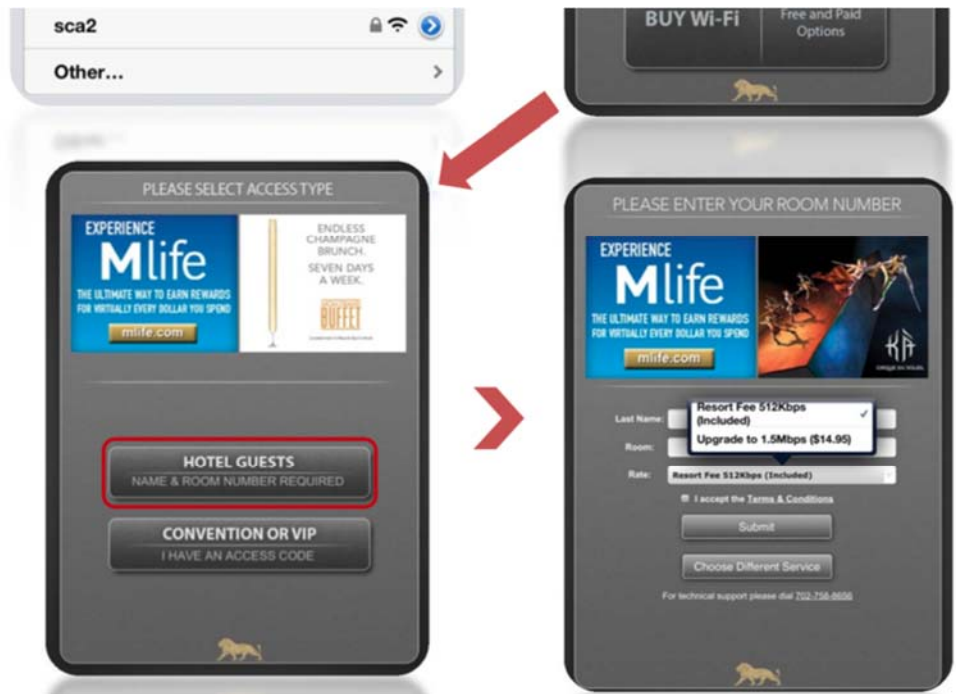
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4. Select Hotel Guests
5. Select Resort Fee 512Kbps Included
6. Enter Last Name and Room.
7. Select Submit

Your device will now be connected to the MGM Grand Wi-Fi system.

If you have any issues with your connection please call 702-758-8656 to speak to a representative that can assist you.

Please Note: Your login and password is valid in both the MGM Grand Convention Space and guest room.



- d. *wherein the redirection server is configured to modify at least a portion of the rule set as a function of some combination of time, data transmitted to or from the user, or location the user accesses. For example, upon payment or authentication of a hotel guest's credentials, i.e., use of a pre-determined pass or login that provides access, a portion of the rule set is modified by providing the user with Internet access for a limited amount of time (e.g., one day), while the rule set is correlated to the temporarily assigned network address given to the user.*
- e. *wherein the redirection server is configured to modify at least a portion of the rule set as a function of time while the rule set is correlated to the temporarily assigned network address. For example, upon payment for a limited time of Internet use, a portion of the rule set is modified by providing the user with Internet access for a limited amount of time (e.g., one day), while the rule set is correlated to the temporarily assigned network address given to the user.*

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33. MGM indirectly infringes the '459 patent, under 35 U.S.C. § 271(b), by actively inducing direct infringement by others, for example, MGM customers and guests and its properties who use the Accused System provided by MGM for Internet Access following MGM's instructions on how to access the Wi-Fi network. By at least the filing date and/or service date of this Complaint, MGM had knowledge of the '459 patent and that its actions resulted in direct infringement of the '459 patent. MGM also knew or was willfully blind that its actions would induce direct infringement by others and intended that its actions would do so.

34. In accordance with 35 U.S.C. § 287, MGM has had knowledge of the Asserted Patent at least as of the filing date of this Complaint and/or the date this Complaint was served.

35. Despite MGM's knowledge of the Asserted Patent and its infringing activities, MGM continues to make, use, market, offer for sale, and/or sell in the United States systems that infringe the Asserted Patent. MGM has continued to infringe in wanton disregard of Linksmart's patent rights.

36. MGM's continued infringement of the Asserted Patent has damaged and will continue to damage Linksmart.

Damages

37. The foregoing paragraphs are incorporated by reference as if fully set forth herein.

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

Irreparable Harm to Linksmart

39. The foregoing paragraphs are incorporated by reference as if fully set forth herein.

40. Linksmart has been irreparably harmed by MGM's acts of infringement. Linksmart will continue to be irreparably harmed unless and until MGM's acts of infringement are enjoined

by this Court. Linksmart has no adequate remedy at law to redress MGM's continuing acts of infringement. The hardships that would be imposed upon MGM are less than those faced by Linksmart should an injunction not issue. Furthermore, the public interest would be served by issuance of an injunction.

Attorneys' Fees

41. MGM's infringement of the Asserted Patent is exceptional, and Linksmart is entitled to recover reasonable and necessary attorneys' fees under applicable law.

Prayer for Relief

WHEREFORE, Linksmart respectfully requests that this Court enter judgment in its favor and grant the following relief:

- a. A judgment that MGM directly and/or indirectly infringes the '459 patent;
- b. An Order enjoining, permanently, MGM and its respective officers, directors, agents, partners, servants, employees, attorneys, licensees, successors, and assigns, and those in active concert or participation with any of them, from engaging in infringing activities with respect to the '459 patent;
- c. A judgment that MGM's infringement has been willful and that MGM's continued infringement of the '459 patent is willful;
- d. A ruling that this case is exception and awarding Linksmart its reasonable attorneys' fees under 35 U.S.C. § 285;
- e. A judgment and order requiring MGM to pay Linksmart damages in an amount adequate to compensate Linksmart for MGM's infringement, but in no event less than a reasonable royalty under 35 U.S.C. § 284, including supplemental damages for any continuing post-verdict infringement up until entry of judgment, with an accounting, as needed, as well as treble damages for willful infringement under 35 U.S.C. § 284;
- f. Award enhanced damages pursuant to 35 U.S.C. § 284;
- g. A judgment and order requiring MGM to pay Linksmart's costs of this action (including all disbursements);

- h. An order for an accounting of damages;
- i. A judgment and order requiring MGM to pay pre-judgment and post-judgment interest to the full extent allowed under the law; and
- j. Award such other and further relief as the Court may deem just and proper under the circumstances.

Demand for Jury Trial

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, plaintiff Linksmart Wireless Technology, LLC demands trial by jury on all issues so triable.

Respectfully submitted,

Dated: May 14, 2018

BORGHESE LEGAL, LTD.

By: /s/ Mark Borghese
Mark Borghese

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