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LINKSMART WIRELESS TECHNOLOGY, LLC

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

LINKSMART WIRELESS TECHNOLOGY,
LLC

Plaintiff,

v.

CAESARS ENTERTAINMENT
CORPORATION

Defendant.

Case No.: 2:18-cv-00862

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Linksmart Wireless Technology, LLC (“Linksmart” or “Plaintiff”), files this
2 Complaint against Defendant Caesars Entertainment Corporation (“Caesars” or “Defendant”), and
3 alleges as follows:

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

6 **Nature of the Action**

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

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

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

16 **The Parties**

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

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

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

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

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

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

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

23 **Jurisdiction**

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

26 12. Defendant Caesars is subject to this Court's personal jurisdiction because it has its
27 principal place of business in this District, at its headquarters located at One Caesars Palace Drive,
28 Las Vegas, Nevada 89109. Caesars is also subject to this Court's personal jurisdiction because

Caesars has committed and induced acts of patent infringement and has regularly and systematically conducted and solicited business in this District by and through at least its development, use, and testing of products and services, sales and offers for sale of products and services, and other contractual arrangements with customers and third parties using such Caesars products and services located in and/or doing business in this District.

Venue

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

Linksmart's Patented Invention

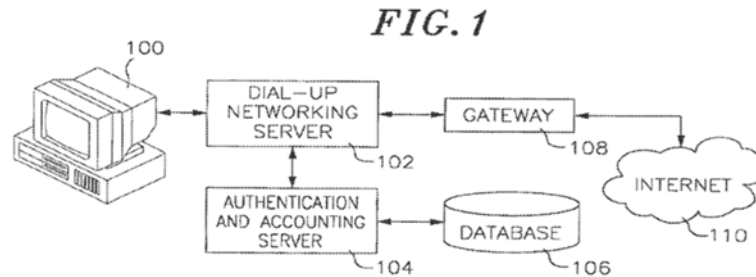
14. The '459 patent is directed to a system for Internet access in a server that dynamically redirects users, i.e., a "redirection server," based on rules that are dynamically and automatically modified by the redirection server itself based on a function of factors that may include, among others, time,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

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

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

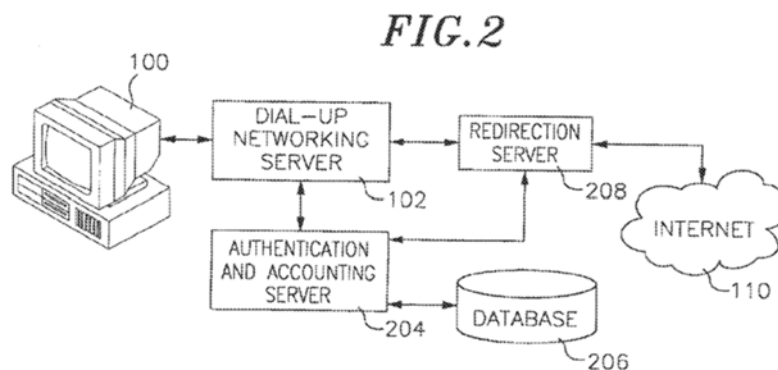
a user was connected to the Internet, and the user requested a particular location on the Internet, the user was sent to that requested location. Ikudome and Yeung developed an innovative automatic redirection system that could provide a more flexible way to mediate a user's access to the Internet.

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

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

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

12 22. The unconventional features of the embodiments described by the '459 patent
13 provided improvements to and solved problems associated with redirection methods and systems
14 that existed at the time of the invention, as described in the '459 patent's disclosure. *See id.* at
15 1:48-3:3.

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

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

27 25. The '459 patent also describes prior methods in which packet filter devices were
28 used with proxy systems to control access to the Internet. In such a method, a packet filter or

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

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

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

23 **Cause of Action**

24 **Infringement of the Linksmart Patent**

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

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

Caesars 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.

30. Caesars 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 Caesars 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.

31. 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.* Caesars hotels, including, by way of example, Caesars's Las Vegas Properties, provide this for the use of hotel guests to access the Internet.¹

LAS VEGAS PROPERTIES- INTERNET SERVICE

WiFi Internet service is offered across all our Las Vegas properties. The pricing is as follows:

Basic (5 mbps)

Free for Guests paying the Resort Fee (up to 2 devices)
\$14.99 for Guests not paying the Resort Fee (up to 2 devices)
\$10.99 for Each Additional Device

Premium (10 mbps)

\$8.99 for Guests paying the Resort Fee (up to 2 devices)
\$22.98 for Guests not paying the Resort Fee (up to 2 devices)
\$10.99 for Each Additional Device
\$10.99 for Upgrade Basic to Premium

¹ See "HOME > QUESTIONS/COMMENTS > LAS VEGAS PROPERTIES- INTERNET SERVICE," https://totalrewards.custhelp.com/app/answers/detail/a_id/892/~/~las-vegas-properties--internet-service (excerpted herein).

The system that Caesars provides at its hotel properties, such as its Las Vegas Properties, provides that a rule set programmed in the redirection server may redirect the web site that the user, i.e., hotel guest, is trying to access to a “popup window” wherein the enters login credentials, i.e., name and hotel room, to activate or purchase a particular tier of Internet access.²

When you first access the property WiFi system, a pop-up screen will appear on your computer or mobile device. You must enter your room number and last name to receive the discounted rate that is included in your resort fee. You will then be asked to pick a service: Basic (free with resort fee) and Premium (additional fee).

- 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 Caesars location, e.g., Caesars’s Las Vegas Properties, is configured to be able to redirect users to the aforementioned portal 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 from their suite.
- 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

² *Id.*

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.

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

33. In accordance with 35 U.S.C. § 287, Caesars 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.

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

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

Damages

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

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37. As a result of Caesars'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 Caesars'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 Caesars 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

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

39. Linksmart has been irreparably harmed by Caesars's acts of infringement. Linksmart will continue to be irreparably harmed unless and until Caesars's acts of infringement are enjoined by this Court. Linksmart has no adequate remedy at law to redress Caesars's continuing acts of infringement. The hardships that would be imposed upon Caesars 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

40. Caesars'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 Caesars directly and/or indirectly infringes the '459 patent;
- b. An Order enjoining, permanently, Caesars 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 Caesars's infringement has been willful and that Caesars's continued infringement of the '459 patent is willful;

- 1 d. A ruling that this case is exception and awarding Linksmart its reasonable
2 attorneys' fees under 35 U.S.C. § 285;
- 3 e. A judgment and order requiring Caesars to pay Linksmart damages in an amount
4 adequate to compensate Linksmart for Caesars's infringement, but in no event less
5 than a reasonable royalty under 35 U.S.C. § 284, including supplemental damages
6 for any continuing post-verdict infringement up until entry of judgment, with an
7 accounting, as needed, as well as treble damages for willful infringement under 35
8 U.S.C. § 284;
- 9 f. Award enhanced damages pursuant to 35 U.S.C. § 284;
- 10 g. A judgment and order requiring Caesars to pay Linksmart's costs of this action
11 (including all disbursements);
- 12 h. An order for an accounting of damages;
- 13 i. A judgment and order requiring Caesars to pay pre-judgment and post-judgment
14 interest to the full extent allowed under the law; and
- 15 j. Award such other and further relief as the Court may deem just and proper under
16 the circumstances.
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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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