

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

MARK W KILBOURNE

Plaintiff,

v.

APPLE, INC.

Defendant.

CASE NO. 4:17-cv-03283

JURY TRIAL DEMANDED

AMENDED COMPLAINT

For his amended complaint against Defendant Apple Inc., Plaintiff Mark W. Kilbourne alleges:

PARTIES

1. Plaintiff Mark W. Kilbourne (“Mr. Kilbourne” or “Plaintiff”) is an individual resident of the State of Texas with a residence address of 2425 Katy Flewellen Rd., Apt. # 211, Katy, TX 77494.

2. Defendant Apple Inc. (“Apple” or “Defendant”) is a California corporation having a number of regular and established physical places of business within the Southern District of Texas including, but not limited to: Apple Houston Galleria, located at 5085 Westheimer Rd., Houston, TX 77056; Apple Highland Village, located at 4012 Westheimer Rd, Houston, TX 77027; Apple Memorial City, located at 303 Memorial City Mall, Houston, TX 77024; and Apple Willowbrook Mall, located at 2000 Willowbrook Dr., Houston, TX 77070.

3. Apple has sold products and engaged in business and communications in the State of Texas; has a registered agent in the State of Texas; is registered to do business in the State of

Texas, and has been both a plaintiff and a defendant in litigation in the State of Texas. Apple can be served with process by serving its registered agent: CT Corp System, 1999 Bryan St., Ste. 900, Dallas, Texas 75201-3135.

NATURE OF ACTION, JURISDICTION AND VENUE

4. This is an action for patent infringement under the Patent Act, 35 U.S.C. § 1 et seq.
5. This Court has subject matter jurisdiction under 28 U.S.C. § 1331 (Federal Question) and § 1338 (Patent, Trademark and Unfair Competition).
6. Venue is proper under 28 U.S.C. § 1400(b).

BACKGROUND

7. Plaintiff Mark Kilbourne is an individual and entrepreneur and the president of Mr. Butler LLC. Mr. Butler LLC offers the Remotizer® system for remotely opening and closing a pre-existing deadbolt lock.

8. Over the years, Mr. Kilbourne was exposed to the door lock industry through the work of his father Kent Kilbourne, who has had over thirty-eight years of experience. Through that exposure, Mr. Kilbourne became aware of certain electronic door lock keyless entry systems that, while having some benefits, were not suitable for use in living situations where removal and replacement of an existing deadbolt lock and key was inconvenient, costly and/or not feasible (e.g., because of lease restrictions).

9. To address the issue set forth above, Mr. Kilbourne invented a system for remotely opening and closing a pre-existing deadbolt lock that could be used in locations where replacement of a pre-existing deadbolt lock was not feasible, and that could be easily retrofitted with a wide variety of existing single-cylinder deadbolt lock apparatus.

10. Mr. Kilbourne filed and obtained a United States Patent covering his novel system, U.S. Patent No. 7,373,795 issued May 20, 2008 (“the ’795 Patent”), which is valid and enforceable. A true and correct copy of the ’795 Patent is attached as **Exhibit A**.

11. Mr. Kilbourne’s company, Mr. Butler LLC, is a Texas-based company operating out of Richmond, Texas. Mr. Butler, LLC has been offering for sale and selling a product embodying the invention of his ’795 Patent. That product is known as the Remotizer® system.

12. To ensure that the public is aware that the Remotizer® system is patented, Mr. Butler, LLC has consistently and prominently marked the packaging associated with the product an indication that it is protected by Patent No. 7373795.

13. In addition, Mr. Butler LLC further identified the fact that the Remotizer® system is patented on its website (www.Remotizer.com) and in its promotional materials, including trade show publications and flyers.

14. Mr. Kilbourne’s Remotizer® system has been recognized as a significant innovation and invention. Among other things, Mr. Kilbourne was awarded the first prize at the prestigious 52nd Annual Minnesota Inventors Congress (sponsored by the University of Minnesota) for his invention.

15. Apple is one of the world’s largest companies. It operates and controls the Apple App Store which reviews and approves software applications suitable for use with Apple hardware products and, upon review, permits such software applications to be offered through the Apple App Store.

16. In late 2014, as part of an effort to promote and sell his patented Remotizer® system, Mr. Kilbourne worked to develop a software application that could permit Apple

products, such as the Apple iPhone, to be used as a remote control to open and close deadbolt locks retrofitted with the Remotizer® system.

17. Around the September 2014 time frame, Mr. Butler LLC approached Apple to offer the application for its Remotizer® system through the Apple App store.

18. In general, review of software applications for possible offering through the Apple App store involves submission of printed or electronic materials, including copies of the software at issue. With respect to the efforts to offer the Remotizer® system app through the Apple store, however, Apple deviated from that process.

19. On September 24, 2014, Apple responded to the request for approval with an e-mail stating:

Hardware needed

Thank you for the response.

We need the associated hardware to fully assess your app features.

At your earliest convenience, please send the necessary hardware/accessory to the address below.

NOTE: Please include your **app name and app ID** in the shipment; failure to provide this information can delay the review process.

Additionally, it may take several business days for us to receive the hardware once it has been delivered to Apple.

20. Apple's request was unusual because receipt and inspection of hardware associated with apps submitted for sale through Apple's App Store is typically not required. Even so, on September 30, 2014, the Remotizer® hardware was shipped to Apple headquarters and was successfully delivered on October 3, 2014. That shipment contained a box showing that the Remotizer® was protected by "Pat. No. 7373795B2" and included a flier with Mr. Kilbourne's name, company, address, and information (**Exhibit C**), as seen on the next page:

FITS ANY SINGLE CYLINDER DEADBOLT

Keep your existing lock & keys
No door alteration
Ideal for multi family units
Uses 4AA Batteries (Not Included)
One Year battery life (Normal Use)
Audible Signal for locked position
Paintable Finish

Mr. Butler LLC
PO Box 205
Richmond, TX 77469

Mark Kilbourne, President
mark@remotizer.com
www.remotizer.com

GOT BLUE?™
BLUEKEY™

Just Touch...

Keep Your OWN Door Lock
• Uses iPhone

Pat. No.: 7373795B2
Part No.: BK103
BRASS HANDLE

REMOVE
INSTALL
USE SAME SCREWS
FITS ANY SINGLE CYLINDER DEADBOLT

Mr. Butler LLC
PO Box 205
Richmond, TX 77469
www.blue-key.com

Pat. No.: 7373795B2
Part No.: BK103
BRASS HANDLE

Made in China

Your package has been delivered
Tracking # 771331978733

Ship (P/U) date:
Tuesday, 9/30/14

Brad Claflin
TECHNOLOGY KITCHEN
AUSTIN, TX 78759
US

Delivery date:
Friday, 10/3/14 9:02 AM

Marcus East
Apple, Inc.
1 Infinite Loop, M/S: 124-2APP
CUPERTINO, CA 95014
US

Delivered

21. Mr. Kilbourne also included a note in the package stating, among other things, that Mr. Kilbourne “included a sample of our BlueKey product (MODL- 0116-1, s/n 58) and instructions per your request.” (**Exhibit C**.)

22. But unbeknownst to Mr. Kilbourne, around the same time he submitted his Remotizer® system app to Apple and Apple was requesting to be provided with the Remotizer® hardware, Apple was working on the Apple HomeKit. The Apple HomeKit is a framework developed by Apple to allow Apple devices to interact with a variety of home automation products, many of which are to be sold and offered by Apple through Apple’s retail and online sales channels.

23. One of those products offered for use with Apple’s HomeKit is the August Smart Lock (the “Accused Product”). The August Smart Lock is a system for remotely opening and closing a pre-existing deadbolt lock that has been, and is currently, offered for sale by Apple, both through its on-line stores and through its retail stores, such as its Apple Stores.

24. Apple also offers August Home apps through its App Store which permit Apple devices to interact with the Accused Products.

25. Apple has sold and currently offers for sale the Accused Products in Apple stores in the Southern District of Texas.

26. Operation of the August Smart Lock, as sold by Apple, practices one or more claims of Mr. Kilbourne’s ’795 Patent. (**Exhibit B**)

COUNT I

Direct Infringement

27. Mr. Kilbourne incorporates the preceding paragraphs by reference.

28. The ’795 Patent is currently in force and has been in force since its issue date.

29. Based on Apple's request of Mr. Kilbourne, it is reasonable to infer that Apple acquired and tested the Accused Products similarly, and performed at least one claim of the '795 Patent. The operation of the Accused Products as intended results in infringement.

30. At all relevant times, Plaintiff has complied with any applicable obligations required by 35 U.S.C. § 287.

31. Testing of the Accused Products by Defendant after obtaining knowledge of the '795 Patent is willful infringement of the '795 Patent.

32. Mr. Kilbourne has been damaged as a result of Apple's infringing conduct.

33. Apple liable in an amount adequate to compensate Mr. Kilbourne for the harm it caused through its direct infringement, which in this case, is in excess of a reasonable royalty.

COUNT II

Indirect Infringement of the '795 Patent

34. Mr. Kilbourne incorporates the preceding paragraphs by reference.

35. Apple has committed, and continues to commit, acts of indirect infringement of the '795 Patent at least by selling, and offering to sell the Accused Products, as described therein.

36. Apple has contributed to direct infringement of the '795 Patent by selling and offering to sell the Accused Products within the United States and within the Southern District of Texas and continues to sell and offer for sale the Accused Products in the United States and within the Southern District of Texas. It is liable for contributory infringement.

37. Moreover, since the filing of the original complaint, Apple has been aware that the Accused Products infringe the '795 patent. Yet despite this knowledge, it continues to provide HomeKit functionality and offer the August Home app on its App Store to owners of Apple

devices, thereby actively encouraging customers which own the Accused Products (whether sold by Apple or not) to infringe the '795 patent. It is liable for induced infringement.

38. The Accused Products, as sold by Apple, are intended for use in a method of moving a deadbolt lock by remotely extending and retracting a pre-existing deadbolt lock and have no other substantial purposes.

39. The intended use of the Accused Products, as sold by Apple, results in direct infringement of at least one claim of the '795 Patent as reflected by the charts attached as Exhibit B to this complaint.

40. Given that operation of the Accused Products as intended and sold by Apple directly infringes at least one claim of the '795 Patent, the Accused Products constitute a material part of the invention of the '795 Patent.

41. At least as of the original Complaint, and also based on Apple's prior request for the Remotizer® system hardware, Apple was and is aware of the '795 Patent and that it is offering and selling Accused Products that have no substantial non-infringing uses.

42. Any indirect infringement of the '795 Patent by Defendant after obtaining knowledge of the '795 Patent is willful.

43. Mr. Kilbourne has been damaged as a result of Apple's conduct which has resulted in direct infringement.

44. Apple liable in an amount adequate to compensate Mr. Kilbourne for its indirect infringement, in an amount no less than a reasonable royalty, together with interest and costs, including lost profits, as affixed by this Court under 35 U.S.C. § 284.

PRAYER

WHEREFORE, Mr. Kilbourne requests judgment against Defendant as follows:

1. An award of damages, increased as deemed appropriate by the court, under 35 U.S.C. § 284;
2. An award of attorneys' fees under 35 U.S.C. § 285;
3. Enhanced damages under 35 U.S.C. § 284;
4. An award of prejudgment interest and costs of the action;
5. An injunction to prevent continuing infringement; and
6. Such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

March 5, 2018

Respectfully submitted,

/s/ Robert J. McAughan, Jr.
Robert J. McAughan, Jr.
TX State Bar No. 00786096
Matthew C. Zorn
State Bar No. 21406625
YETTER COLEMAN LLP
909 Fannin Street, Suite 3600
Houston, Texas 77010
(713) 632-8000
(713) 632-8002 (Fax)
bmcaughan@yettercoleman.com
mzorn@yettercoleman.com
Attorneys for Mr. Kilbourne

CERTIFICATE OF SERVICE

I certify that on March 5, 2018, a copy of this document was served on all counsel of record using the Court's e-filing system.

/s/ Robert J. McAughan, Jr.