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 12 Licensing USA LLC and Uniloc USA,
 13 Inc.

14 UNITED STATES DISTRICT COURT
 15 CENTRAL DISTRICT OF CALIFORNIA

16 UNILOC 2017 LLC, UNILOC
 17 LICENSING USA LLC and
 18 UNILOC USA, INC.,
 19 Plaintiffs,
 20 v.
 21 MICROSOFT CORPORATION,
 22 Defendant.

CASE NO. 8:18-CV-01320-AG-ADS
**FIRST AMENDED COMPLAINT
 FOR PATENT INFRINGEMENT**
DEMAND FOR JURY TRIAL

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1 Plaintiffs Uniloc 2017 LLC, Uniloc Licensing USA LLC and Uniloc USA,
2 Inc. (collectively “Uniloc”), by and through the undersigned counsel, hereby file
3 this First Amended Complaint and make the following allegations of patent
4 infringement relating to U.S. Patent Nos. 7,020,252, 8,613,110 and 7,024,696
5 against Defendant Microsoft Corporation (“Microsoft”), and allege as follows upon
6 actual knowledge with respect to themselves and their own acts and upon
7 information and belief as to all other matters:

8 **NATURE OF THE ACTION**

9 1. This is an action for patent infringement. Uniloc alleges that
10 Microsoft infringes U.S. Patent Nos. 7,020,252 (the “252 patent”), 8,613,110 (the
11 “110 patent) and 7,024,696 (the “696 patent”), copies of which are attached hereto
12 as Exhibits A-C (collectively, “the Asserted Patents”).

13 2. Uniloc alleges that Microsoft directly and indirectly infringes the
14 Asserted Patents by making, using, offering for sale and selling devices that restrict
15 or grant access to audio recordings by users based on a qualifying parameter, such
16 as Microsoft Stream and prevent piracy of Microsoft Office products through
17 product registration and activation. Uniloc alleges that Microsoft also induces and
18 contributes to the infringement of others. Uniloc seeks damages and other relief for
19 Microsoft’s infringement of the Asserted Patents.

20 **THE PARTIES**

21 3. Uniloc 2017 LLC is a Delaware corporation having places of business
22 at 1209 Orange Street, Wilmington, Delaware 19801 and 620 Newport Center
23 Drive, Newport Beach, California 92660.

24 4. Uniloc Licensing USA LLC is a Delaware corporation having places
25 of business at 1209 Orange Street, Wilmington, Delaware 19801 and 620 Newport
26 Center Drive, Newport Beach, California 92660.

27 5. Uniloc USA, Inc. is a Texas corporation having a place of business at
28 Legacy Town Center I, Suite 380, 7160 Dallas Parkway, Plano Texas 75024.

1 6. Uniloc holds all substantial rights, title and interest in and to the
2 Asserted Patents.

3 7. Upon information and belief, Defendant Microsoft is a corporation
4 organized and existing under the laws of the State of Washington, with the
5 following places of business in this District: 3 Park Plaza, Suite 1600, Irvine, CA
6 92614; 3333 Bristol Street, Suite 1249, Costa Mesa, CA 92626; 578 The Shops at
7 Mission Viejo, Mission Viejo, CA 92691; 331 Los Cerritos Center, Cerritos, CA
8 90703; 13031 West Jefferson Blvd., Suite 200, Los Angeles, CA 90094; 2140
9 Glendale Galleria, JCPenney Court, Glendale, CA 91210; 10250 Santa Monica
10 Blvd., Space #1045, Los Angeles, CA 90067; 6600 Topanga Canyon Blvd, Canoga
11 Park, CA 91303. Microsoft can be served with process by serving its registered
12 agent for service of process in California: Corporation Service Company which
13 Will Do Business in California as CSC - Lawyers Incorporating Service, 2710
14 Gateway Oaks Dr., Ste. 150, Sacramento, CA 95833.

15 **JURISDICTION AND VENUE**

16 8. This action for patent infringement arises under the Patent Laws of the
17 United States, 35 U.S.C. § 1 et. seq. This Court has original jurisdiction under 28
18 U.S.C. §§ 1331 and 1338.

19 9. This Court has both general and specific jurisdiction over Microsoft
20 because Microsoft has committed acts within the Central District of California
21 giving rise to this action and has established minimum contacts with this forum
22 such that the exercise of jurisdiction over Microsoft would not offend traditional
23 notions of fair play and substantial justice. Defendant Microsoft, directly and
24 through subsidiaries, intermediaries (including distributors, retailers, franchisees
25 and others), has committed and continues to commit acts of patent infringement in
26 this District, by, among other things, making, using, testing, selling, licensing,
27 importing and/or offering for sale/license products and services that infringe the
28 Asserted Patents.

1 10. Venue is proper in this district and division under 28 U.S.C. §§
2 1391(b)-(d) and 1400(b) because Microsoft has committed acts of infringement in
3 the Central District of California and has a regular and established place of business
4 in the Central District of California.

5 **COUNT I– INFRINGEMENT OF U.S. PATENT NO. 7,020,252**

6 11. The allegations of paragraphs 1-10 of this Complaint are incorporated
7 by reference as though fully set forth herein.

8 12. The '252 patent titled, "Group Audio Message Board," issued on
9 March 28, 2006. A copy of the '252 patent is attached as Exhibit A.

10 13. Pursuant to 35 U.S.C. § 282, the '252 patent is presumed valid.

11 14. Invented by Koninklijke Philips Electronics, N.V., the inventions of
12 the '252 patent were not well-understood, routine or conventional at the time of the
13 invention. At the time of invention of the '252 patent, prior art message sharing
14 systems suffered from drawbacks. '252 patent at 1:24-56. For example, in an
15 Internet chat room, posted messages are made available almost instantly to other
16 users. *Id.* at 1:28-29. If the message contents are to be meaningful or interesting to
17 a user calling up, some form of restriction or segregation must be applied if the user
18 is not to be faced with hundreds or thousands of messages of little or no relevance
19 that have been posted in response to similarly unrelated messages. *Id.* at 1:47-53.
20 Thus, there is a need for specialisation of, or restrictions on, content for messaging
21 services. *Id.* at 1:54-56.

22 15. The inventive solution of the claimed inventions of the '252 patent
23 provides a system and method whereby messages posted at a communal location by
24 a first user and made available to other users will be relevant to those users. *Id.* at
25 1:60-63. In accordance with one aspect of the invention, the recordal of each
26 message comprises capture and storage of at least one qualifying parameter
27 pertaining to the access to the recorded message. *Id.* at 1:64-2:5. The qualifying
28 parameter is used to enable access by a user having a matching qualifying

1 parameter to previously recorded messages. *Id.* at 2:6-10. With the recorded
2 messages being classified according to a qualifying parameter, and only released
3 again when that parameter is matched, the need for handling large numbers of
4 irrelevant messages for the user is considerably reduced. *Id.* at 2:10-14.

5 16. A person of ordinary skill in the art reading the '252 patent and its
6 claims would understand that the patent's disclosure and claims are drawn to
7 solving a specific, technical problem arising in message sharing systems.
8 Moreover, a person of ordinary skill in the art would understand that the claimed
9 subject matter of the '252 patent presents advancements in the field of data storage
10 and retrieval services and, more particularly, message recording and replay services
11 for users of communications devices. And, as detailed by the specification, the
12 prior message sharing systems suffered drawbacks such that a new and novel
13 communications system was required.

14 17. In light of the foregoing, a person of ordinary skill in the art would
15 understand that claim 2 of the '252 patent is directed to communal audio message
16 recordal for multiple users where qualifying parameters that include user-supplied
17 indications of a personal characteristic are used to enable or deny subsequent access
18 to previously recorded audio data. *Id.* at 6:16-32. Moreover, a person of ordinary
19 skill in the art would understand that claim 2 of the '252 patent contains the
20 inventive concept of communal audio message recordal for multiple users where
21 qualifying parameters that include user-supplied indications of a personal
22 characteristic are used to enable or deny subsequent access to previously recorded
23 audio data. *Id.*

24 18. Microsoft makes, uses, offers for sale, and sells in the United States
25 and imports into the United States electronic devices that practice a method of
26 restricting or granting access to audio recordings by users based on a qualifying
27 parameter, including but not limited to Microsoft Stream (collectively the "Accused
28 Infringing Devices").

1 19. Upon information and belief, the Accused Infringing Devices infringe
2 claim 2 of the '252 patent by practicing a method in the exemplary manner
3 described below.

4 20. The Accused Infringing Devices provide a method for enabling
5 communal audio message recordal including a provision of audio data recorder
6 coupled with a communications system configured to enable multiple users to
7 access the audio data recorder and to record respective audio messages, wherein a
8 recordal of each message comprises:

9
10 **What is Microsoft Stream?**

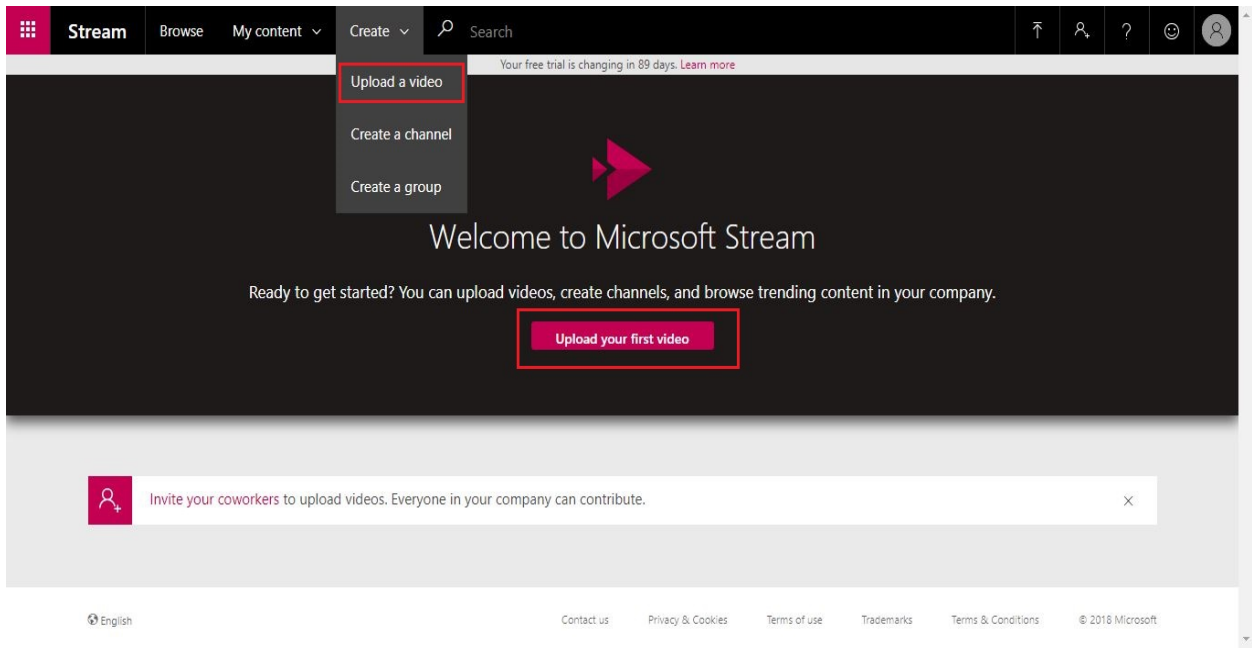
11 Microsoft Stream is an Enterprise Video service where people in an organization can upload, view,
12 organize and share videos securely. It's easy to get started with your work email. Learn more about
13 [the Microsoft Stream sign-up process](#)

14 **Who is Microsoft Stream intended for?**

15 Microsoft Stream is the video management and sharing service for employees at all levels across
16 businesses of all sizes who are interested in using videos in the workplace to connect, collaborate,
17 learn and share information. Anyone can search for videos easily and consume them on their device,
18 whenever and wherever.

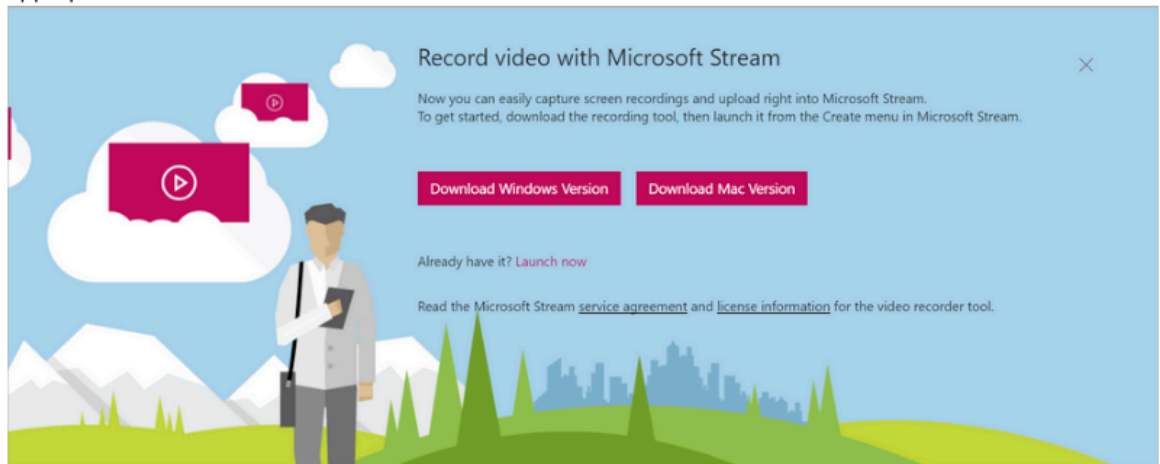
19 **Source:** <https://docs.microsoft.com/en-us/stream/faq>, Page 1
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Source: <https://web.microsoftstream.com/>, Page 1

3. If you have not yet installed the recording tool, follow the instructions in the modal dialog to download the appropriate version of the tool.



In some cases, we are unable to detect that the tool is already installed. In this case, click "Launch now" to launch the tool.

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Record a video using the screen recording tool

03/21/2018 • 3 minutes to read • Contributors

Microsoft Stream aims to make sharing videos with your colleagues as easy as possible. The screen recorder tool was built to give all Stream users the ability to create video content from their own computers by recording screencasts.

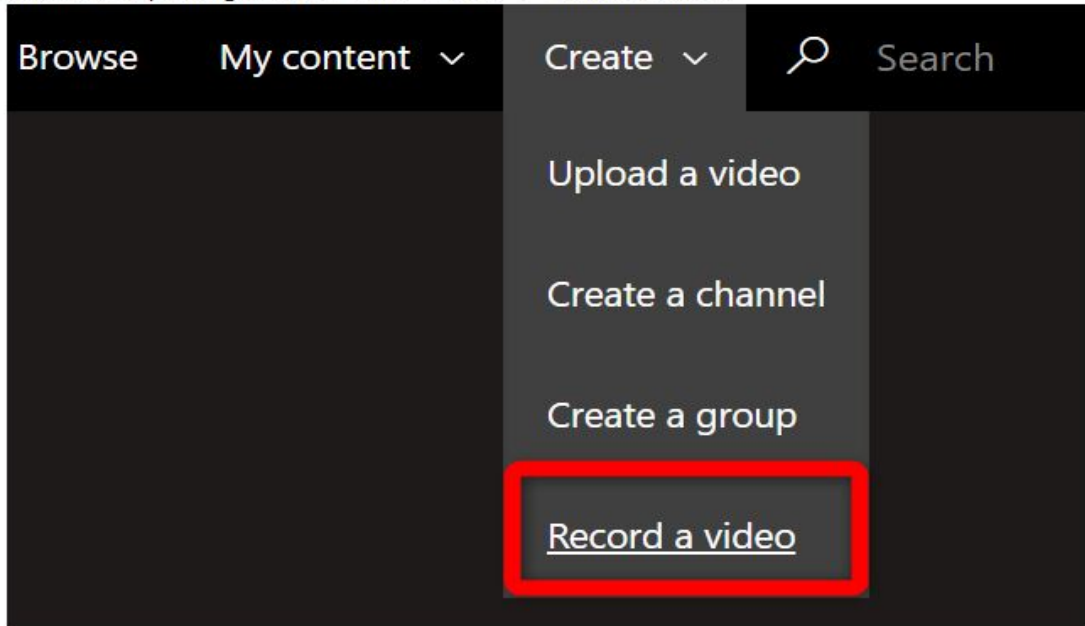
Considerations

- System requirements
 - Mac OS 10.11 or newer, 64-bit
 - Windows 7 SP1 or newer, 64-bit, .NET 4.6 (will install if necessary)
- Once installed, screen recorder must be launched from the within Stream portal for each video recording (see step 1, below)

Source: <https://docs.microsoft.com/en-us/stream/record-video>, Page 1

Workflow

1. From the top-navigation bar click "Create" > "Record a video"



2. If we detect that you have already installed the application, the tool will launch itself. In this case, skip to Step 4

3. If you have not yet installed the recording tool, follow the instructions in the modal dialog to download the appropriate version of the tool.

Source: <https://docs.microsoft.com/en-us/stream/record-video>, Page 2

Privacy

When you create a group in Stream, you set if the group is companywide or not. This determines who has access to see content inside the group.

Create a group

Create a Stream group connected to an Office 365 Group as an easy way to organize videos and channels. With a group, you can control who can see and edit your videos.

Name

Group email name

Description

Make this group companywide ⓘ

Source: <https://docs.microsoft.com/en-us/stream/groups-channels-overview>, Page 3

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Companywide groups

When "Make this group companywide" is checked for a group, the group is public inside the organization. Use this type of group when you want to broadcast out information to most of your company.

Characteristics of companywide groups:

- Anyone in your company can join without being added by a group owner
- Everyone in the organization will be able to see the videos within these groups

Private groups

When "Make this group companywide" is not checked, the group is private. Use this type of group when you want to limit access to who can view videos within the group.

Characteristics of private groups:

- An owner of the group will have to add or approve members who join the group
- Only group members will be able to see videos within the group

Source: <https://docs.microsoft.com/en-us/stream/groups-channels-overview>, Page 3 & 4

Owners & Members

Owners Owners of the group will get full control over the group and any videos owned by the group. They can edit the settings of the group, create/delete channels, and delete the group itself.

Members In Microsoft Stream, we have a Stream only setting that controls if members are contributors to the group or they are viewers only. This is controlled by the "Allow members to contribute" check box on the group.

- If "Allow members to contribute" is checked, the members of the group will be contributors to the group. They will be able to create/delete channels, and add video to the group, and modify videos owned by the group.
- If "Allow members to contribute" is not checked, the members of the group will be viewers of the group. They will only be able to view videos with this group.



Source: <https://docs.microsoft.com/en-us/stream/groups-channels-overview>, Page 4

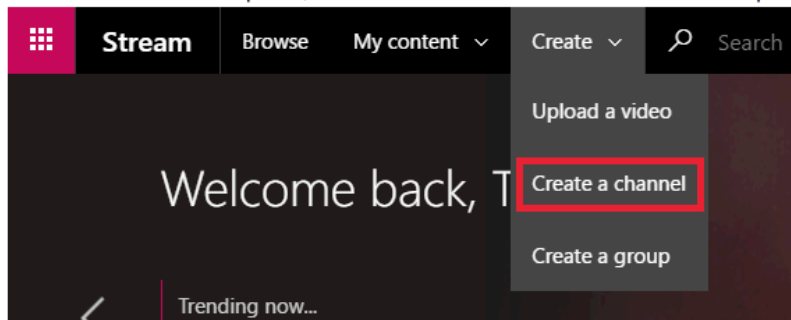
1 21. The Accused Infringing Devices have a feature of generating and
2 storing at least one qualifying parameter pertaining to the access to the audio data
3 recorder;

4 5 Considerations

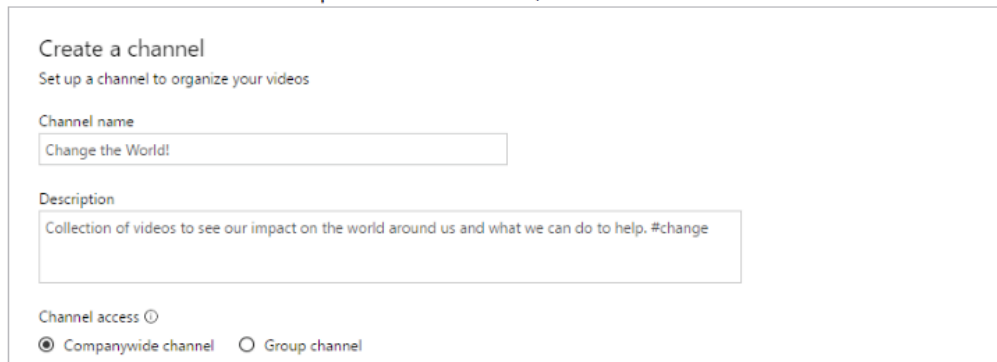
- 6 • **Companywide channels** must have a unique name across your organization.
- 7 • **Group channels** must have a unique name within a group.
- 8 • A description and channel image should be added to make it easier for people to find and recognize your channel.
- 9 • Custom channel images should be a square. If the image has another shape, it will be cropped to a square automatically.

10 Create a new channel

11 1. In the Microsoft Stream portal, select **Create > Create a channel** from the top navigation bar.



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17 2. In the Create Channel dialog, give a unique name and description for your channel. Channel names are limited to 30 characters. Channel descriptions are limited to 2,000 characters.



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24 **Source:** <https://docs.microsoft.com/en-us/stream/portal-create-channel>

1 22. The Accused Infringing Devices determine a qualifying parameter for
2 a subsequent access to the audio data recorder by a user;

3 4 **Group permissions**

5 Groups have the following access and privacy characteristics:

- 6 • Can be companywide or private
- 7 • Are made up of owners and members
- 8 • Has a setting to control if members are viewers or contributors

9 As such, when you make a Microsoft Stream group a viewer or owner of a video, all of the above is taken into account
10 to determine who will get access to the video.

11 For more information: [Group access settings](#).

12 Create a group
13 Create a Stream group connected to an Office 365 Group as an easy way to organize videos and channels. With a group, you can control who
14 can see and edit your videos.

15 Name Group email name

16 Description Make this group companywide ⓘ

17 Classification ⓘ

18 Add group members ⓘ Search for people Allow members to contribute ⓘ

19 Member ⓘ Owner ⓘ
20 × Me (sameh@)

21

22 **Channel permissions**

23 Channels are an organization method for videos, but not a permission method. Channels don't have any permissions
24 on their own, unless they are contained in a group. When they are contained in a group they inherit the permission
25 and access settings of the group.

26 **Source:** <https://docs.microsoft.com/en-us/stream/portal-permissions#group-permissions>

1 23. The Accused Infringing Devices enable access by said subsequently
2 accessing user to previously recorded messages having a matching qualifying
3 parameter, otherwise they deny such access wherein the qualifying parameter
4 includes a user-supplied indication of a personal characteristic.

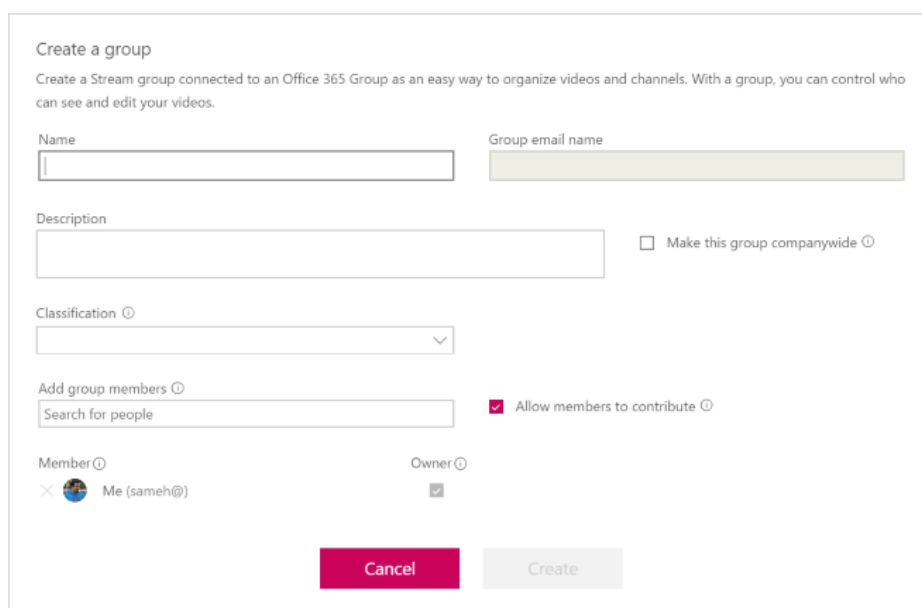
6 **Group permissions**

7 Groups have the following access and privacy characteristics:

- 8 • Can be companywide or private
- 9 • Are made up of owners and members
- Has a setting to control if members are viewers or contributors

10 As such, when you make a Microsoft Stream group a viewer or owner of a video, all of the above is taken into account
11 to determine who will get access to the video.

12 For more information: [Group access settings](#).



The screenshot shows a 'Create a group' form with the following fields and options:

- Name:** A text input field.
- Group email name:** A text input field.
- Description:** A text input field.
- Make this group companywide**
- Classification:** A dropdown menu.
- Add group members:** A search input field with the placeholder 'Search for people'.
- Allow members to contribute**
- Member:** A list containing 'Me (sameh@)' with a profile picture icon.
- Owner:** A list containing a checkbox icon.
- Buttons:** A red 'Cancel' button and a grey 'Create' button.

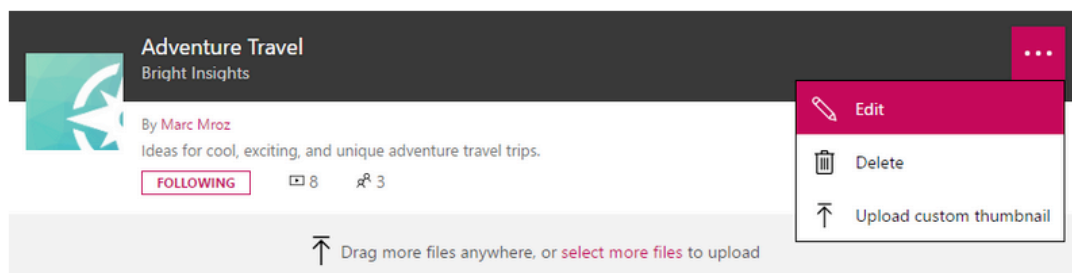
23 **Channel permissions**

24 Channels are an organization method for videos, but not a permission method. Channels don't have any permissions
25 on their own, unless they are contained in a group. When they are contained in a group they inherit the permission
and access settings of the group.

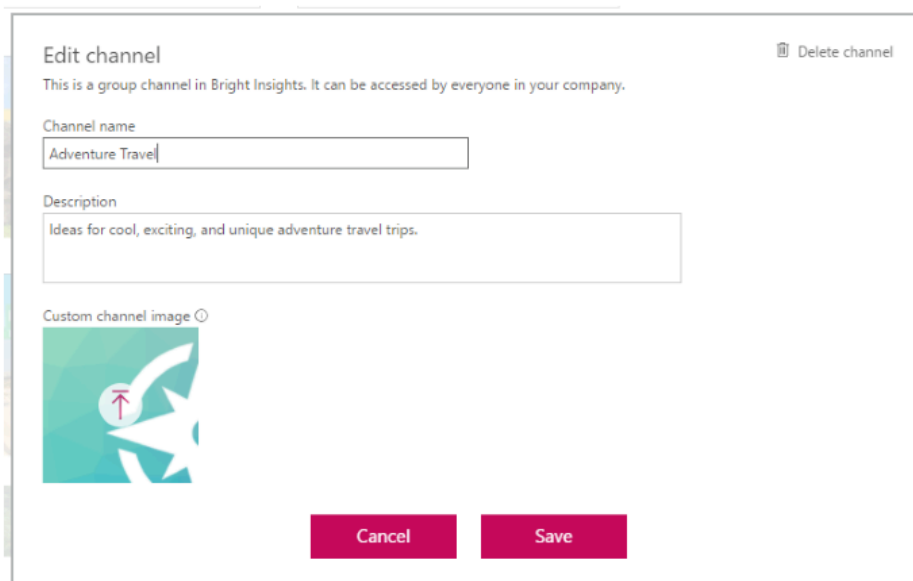
26 **Source:** <https://docs.microsoft.com/en-us/stream/portal-permissions#group-permissions>

Edit channel

1. Sign in to the [Microsoft Stream](#) portal.
2. Find the channel you want to edit (for example, through [My channels](#), [My groups](#) or [Browse](#)) and click on it.
3. At the top of the channel select ... > Edit.



4. Start editing the metadata, settings, or delete the channel.



Source: <https://docs.microsoft.com/en-us/stream/portal-edit-channel>

24. Microsoft has infringed, and continues to infringe, at least claim 2 of the '252 patent in the United States, by making, using, offering for sale, selling and/or importing the Accused Infringing Devices in violation of 35 U.S.C. § 271(a).

25. Microsoft has also infringed, and continues to infringe, at least claim 2 of the '252 patent by actively inducing others to use, offer for sale, and sell the Accused Infringing Devices. Microsoft's users, customers, agents or other third parties who use those devices in accordance with Microsoft's instructions infringe claim 2 of the '252 patent, in violation of 35 U.S.C. § 271(a). Microsoft

1 intentionally instructs its customers to infringe through training videos,
2 demonstrations, brochures, installation and user guides, such as those located at:
3 www.microsoft.com, support.microsoft.com, <https://stream.microsoft.com/en-us/>,
4 and related domains and subdomains. Microsoft is thereby liable for infringement
5 of the '252 patent under 35 U.S.C. § 271(b).

6 26. Microsoft has also infringed, and continues to infringe, at least claim 2
7 of the '252 patent by offering to commercially distribute, commercially
8 distributing, or importing the Accused Infringing Devices which devices are used in
9 practicing the processes, or using the systems, of the '252 patent, and constitute a
10 material part of the invention. Microsoft knows portions of the Accused Infringing
11 Devices to be especially made or especially adapted for use in infringement of the
12 '252 patent, not a staple article, and not a commodity of commerce suitable for
13 substantial noninfringing use. Microsoft is thereby liable for infringement of the
14 '252 patent under 35 U.S.C. § 271(c).

15 27. Microsoft is on notice of its infringement of the '252 patent by virtue
16 of a letter from Uniloc to Microsoft dated July 30, 2018. By the time of trial,
17 Microsoft will have known and intended (since receiving such notice) that its
18 continued actions would actively induce and contribute to the infringement of at
19 least claim 2 of the '252 patent.

20 28. Upon information and belief, Microsoft may have infringed and
21 continues to infringe the '252 patent through other software and devices utilizing
22 the same or reasonably similar functionality, including other versions of the
23 Accused Infringing Devices.

24 29. Microsoft's acts of direct and indirect infringement have caused and
25 continue to cause damage to Uniloc and Uniloc is entitled to recover damages
26 sustained as a result of Microsoft's wrongful acts in an amount subject to proof at
27 trial.

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COUNT II – INFRINGEMENT OF U.S. PATENT NO. 8,613,110

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2 30. The allegations of paragraphs 1-10 of this Complaint are incorporated
3 by reference as though fully set forth herein.

4 31. The '110 patent titled, "Software Piracy Prevention Through Remote
5 Enforcement Of An Activation Threshold," issued on December 17, 2013. A copy
6 of the '110 patent is attached as Exhibit B.

7 32. Pursuant to 35 U.S.C. § 282, the '110 patent is presumed valid.

8 33. Invented by Mr. Reuben Bahar, the inventions of the '110 patent were
9 not well-understood, routine or conventional at the time of the invention. At the
10 time of invention of the '110 patent, software piracy was a grave concern and the
11 existing preventative measures employed by software companies suffered from
12 drawbacks. '110 patent at 1:49-67. For example, prior art system and methods
13 included software access codes, activation plugs (i.e., Memo-HASP), registration,
14 and even costly technical support services. *Id.* Although somewhat effective, these
15 prior art measures were often defeated with relative ease and little or no expense.
16 *Id.* For example, software access codes which were entered to gain access to the
17 software, were disclosed with the software package and are thus, easily copied and
18 distributed to unlicensed users. *Id.* at 1:67-2:3. Activation plugs, such as the ones
19 which attach to a PC's parallel port, were easily duplicated by various
20 manufacturers who illegally sold them on the black market. *Id.* at 2:3-6.
21 Furthermore, while registration of the software would inform the manufacturer of
22 all users (licensed and unlicensed), pirates rarely registered given the absence of a
23 compelling motivation to do so. *Id.* at 2:6-10. Lastly, technical support groups
24 were likewise rarely used by pirates given their reluctance to disclose their illegal
25 use of the software. *Id.* at 2:1-13.

26 34. The inventive solution of the claimed inventions of the '110 patent
27 provides a reliable and effective method for preventing piracy of a given software
28 application over a communications network that overcomes one or more problems

1 of the prior art. *Id.* at 2:20-24. The solution allows a service provider to prevent
2 functioning of the software unless it is activated by the service provider. *Id.* The
3 solution allows a remote service provider to receive data from a user of a software
4 application and transmit service data (e.g., an activation code) that will activate the
5 software and allow the user to utilize the software. *Id.* at 2:33-47. In this manner,
6 the remote service provider can limit software piracy, as only legitimate users of the
7 software will be given the service data needed to activate the software. *Id.*

8 35. A person of ordinary skill in the art reading the '110 patent and its
9 claims would understand that the patent's disclosure and claims are drawn to
10 solving a specific, technical problem arising out of the field of software piracy
11 prevention. Moreover, a person of ordinary skill in the art would understand that
12 the claimed subject matter of the '110 patent presents advancements in the field of
13 software piracy prevention and, more particularly, preventing the piracy of a given
14 software application through use of a communications network, such as the
15 Internet, wherein a given software application, installed on a user system, will
16 function only after a remote service provider transmits a code that will activate the
17 software for use. *Id.* at 1:23-30. The inventions of the '110 patent are indigenous
18 to the then nascent field of software piracy prevention.

19 36. In light of the foregoing, a person of ordinary skill in the art would
20 understand that claim 1 of the '110 patent is directed to a specific way to prevent
21 piracy of a software application through the use of a remote service system over a
22 communications network that tracks the number of activation attempts for the
23 authentic copy of the software based on a unique identification code and generates
24 an activation code to activate the software (or blacklists the identification code)
25 based on the number of activation attempts. *Id.* at 1:23-30, 9:4-23. Moreover, a
26 person of ordinary skill in the art would understand that claim 1 of the '110 patent
27 contains the inventive concept of preventing the piracy of a software application
28 through the use of a remote service system over a communications network that

1 tracks the number of activation attempts for the authentic copy of the software
2 based on a unique identification code and generates an activation code to activate
3 the software (or blacklists the identification code) based on the number of
4 activation attempts. *Id.*

5 37. Microsoft makes, uses, offers for sale, and sells in the United States
6 and imports into the United States electronic devices onto which Microsoft Office
7 products are installed and activated through Microsoft’s product activation process
8 (collectively the “Accused Infringing Devices”).

9 38. Upon information and belief, the Accused Infringing Devices infringe
10 claim 1 of the ’110 patent by practicing a method in the exemplary manner
11 described below.

12 39. The Accused Infringing Devices prevent piracy of Microsoft Office
13 products installed on user systems through the product’s activation process which is
14 installable in a data storage element on a user’s computer.

15
16 **Activation**

17 You must activate your Microsoft product to confirm that each copy of the product is not
18 installed on more than the limited number of computers that is indicated in the software
19 end user license agreement (EULA). The activation process can be performed by using the
20 telephone, a modem, or the Internet. None of the information that is collected during
activation will be used to personally identify you.

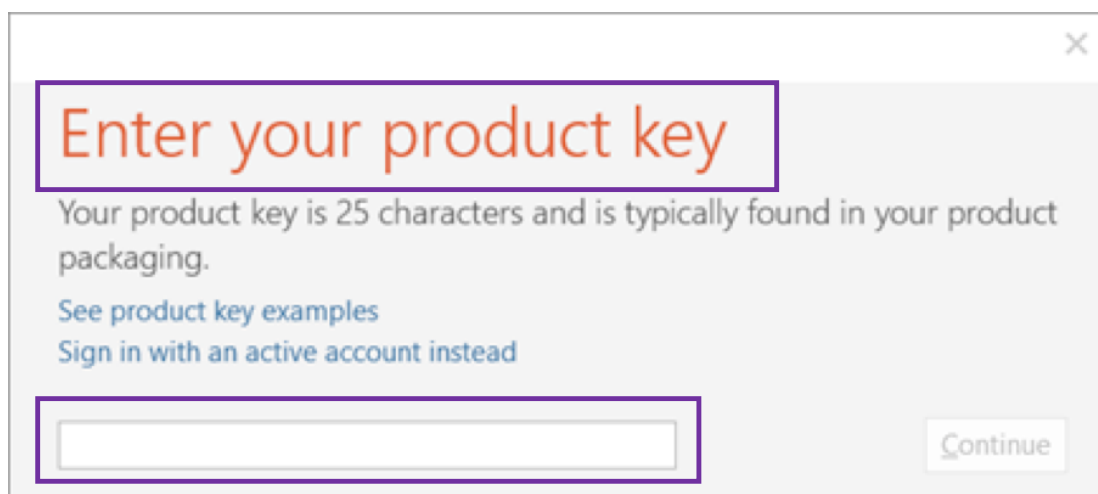
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22 **Source:** <https://support.microsoft.com/en-us/help/326851/activation-and-registration-information-of-a-microsoft-product>

23 40. Microsoft operates a remote service system to receive a unique
24 identification code from the Accused Infringing Devices that uniquely identifies an
25 authentic copy of the software.

26
27 Configure the firewall software to let the Activation Wizard connect to the Microsoft server.
28 To do this, use one of the following options:

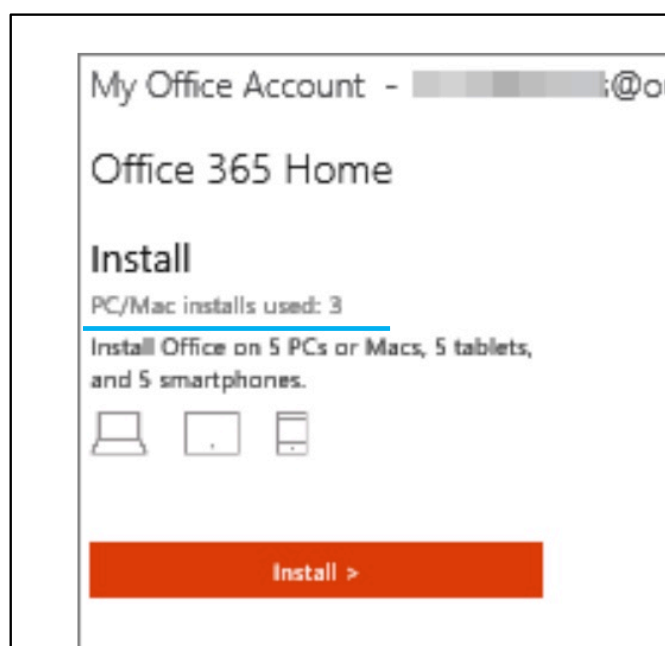
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Source: <https://support.microsoft.com/en-us/help/822519/when-you-try-to-activate-office-programs-over-the-internet-you-receive>



Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

41. Microsoft’s product activation uses the unique identification code to register the number of activation attempts available for an authentic copy of the software.



1 **Source:** <https://support.office.com/en-us/article/sign-in-to-my-office-account-to-install-office-or-manage-your-office-365-subscription-959ac957-8d37-4ae4-b1b6-d6e4874e013f>

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3 **Managing installs**

4 Regardless of your subscription tier you'll have an upper limit on how
5 many times you can install the Office desktop apps. [Your account](#)
6 [management page will show you](#) which devices you're currently using
7 an install on [and how many you have available.](#)

8 Office 365 Personal
For 1 PC or Mac and 1 Tablet

9 **Install Information**

10 PC, Mac, and Windows Tablet Installs

[Computer name](#)

[Installed](#)

Office for Windows

Install

Language: English

[Need help installing?](#)

11 RICHARDS-XPS-13
(Microsoft Windows 8.1 Pro)

Tuesday, May 5, 2015
[Deactivate Install](#)

[Language and install options](#)

12 Used By: You



15 Experience a whole new kind of Office.

16 Thank you for purchasing Office. Enter your Product Key and then click the Get Started button below and sign into, or create your
17 Microsoft account to begin installing Office and accessing your new services.

18 Enter your Product Key

19 Please provide the 25 character Product Key found on your packaging:

20 - - - -

Get Started

21 [^ Where can I find my Product Key?](#)

22
23 **Source:** <https://www.windowscentral.com/how-manage-your-office-365-account-and-installs>

24 42. The Microsoft activation process sends an activation code to the user's
25 computer in the form of an Office entitlement. Activation requires a product key.

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No Office entitlement found on device

Symptoms

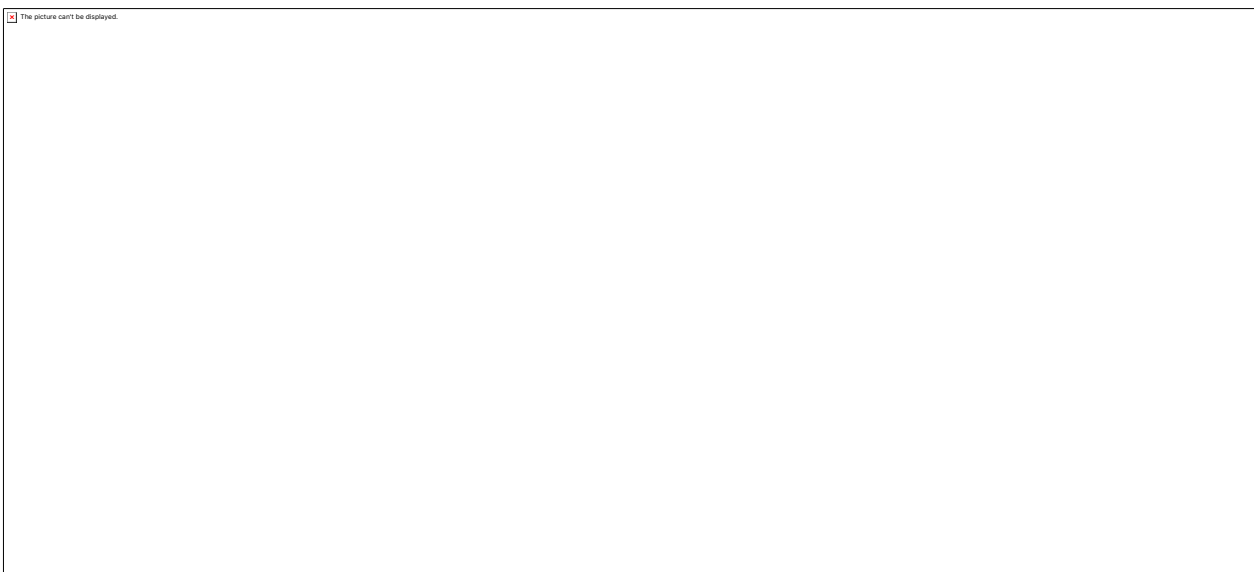
You start up the Office on a new device and you get a message that "Office isn't entitled on this device" along with the option to try Office, enter a product key or purchase Office.

Source: <https://support.microsoft.com/lo-la/help/2987490/no-office-entitlement-found-on-device>



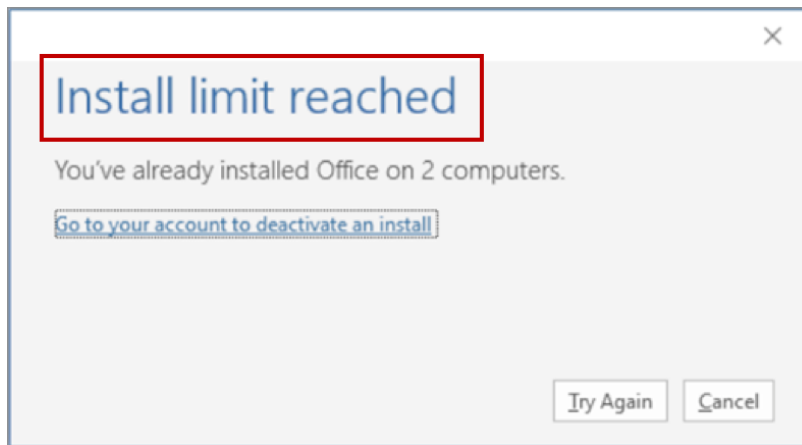
Source: <https://support.office.com/en-us/article/office-repeatedly-prompts-you-to-activate-on-a-new-pc-a9a6b05f-f6ce-4d1f-8d49-eb5007b64ba1>

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Source: <https://it.uoregon.edu/node/4481>

43. Microsoft’s activation process will not activate the software if the installation limit has been reached, blacklisting the unique identification code when the number of activation attempts is not less than the predetermined threshold so that the authentic copy of the software is prohibited from receiving any future activation codes from the remote service system.



Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

Deactivate an Office 365 install

Applies To: Excel for Office 365, Word for Office 365, More...

If you have an Office 365 subscription, you can deactivate an Office 365 install that you're no longer using so you can install Office 365 on a different device. Deactivating an Office 365 install does not uninstall Office, nor does it remove Office documents. Deactivating an Office 365 install is different from canceling your Office 365 subscription.

Source: https://support.office.com/en-us/article/deactivate-an-office-365-install-767e3560-96ed-4b1c-806d-2fe01c529b1b#ID0EABAAA=Office_365

44. Microsoft has infringed, and continues to infringe, at least claim 1 of the '110 patent in the United States, by making, using, offering for sale, selling and/or importing the Accused Infringing Devices in violation of 35 U.S.C. § 271(a).

45. Microsoft has also infringed, and continues to infringe, at least claim 1 of the '110 patent by actively inducing others to use, offer for sale, and sell the Accused Infringing Devices. Microsoft's users, customers, agents or other third parties who use those devices in accordance with Microsoft's instructions infringe claim 1 of the '110 patent, in violation of 35 U.S.C. § 271(a). Microsoft intentionally instructs its customers to infringe through training videos, demonstrations, brochures, installation and user guides, such as those located at: www.microsoft.com, www.office.com, support.office.com, support.microsoft.com and related domains and subdomains. Microsoft is thereby liable for infringement of the '110 patent under 35 U.S.C. § 271(b).

46. Microsoft has also infringed, and continues to infringe, at least claim 1 of the '110 patent by offering to commercially distribute, commercially distributing, or importing the Accused Infringing Devices which devices are used in practicing the processes, or using the systems, of the '110 patent, and constitute a material part of the invention. Microsoft knows portions of the Accused Infringing

1 Devices to be especially made or especially adapted for use in infringement of the
2 '110 patent, not a staple article, and not a commodity of commerce suitable for
3 substantial noninfringing use. Microsoft is thereby liable for infringement of the
4 '110 patent under 35 U.S.C. § 271(c).

5 47. Microsoft is on notice of its infringement of the '110 patent by virtue
6 of a letter from Uniloc to Microsoft dated July 30, 2018. By the time of trial,
7 Microsoft will have known and intended (since receiving such notice) that its
8 continued actions would actively induce and contribute to the infringement of at
9 least claim 1 of the '110 patent.

10 48. Upon information and belief, Microsoft may have infringed and
11 continues to infringe the '110 patent through other software and devices utilizing
12 the same or reasonably similar functionality, including other versions of the
13 Accused Infringing Devices.

14 49. Microsoft's acts of direct and indirect infringement have caused and
15 continue to cause damage to Uniloc and Uniloc is entitled to recover damages
16 sustained as a result of Microsoft's wrongful acts in an amount subject to proof at
17 trial.

18 **COUNT III – INFRINGEMENT OF U.S. PATENT NO. 7,024,696**

19 50. The allegations of paragraphs 1-10 of this Complaint are incorporated
20 by reference as though fully set forth herein.

21 51. The '696 patent titled, "Method and System For Prevention Of Piracy
22 Of A Given Software Application Via A Communications Network," issued on
23 April 4, 2006. A copy of the '696 patent is attached as Exhibit C.

24 52. Pursuant to 35 U.S.C. § 282, the '696 patent is presumed valid.

25 53. Invented by Mr. Reuben Bahar, the inventions of the '110 patent were
26 not well-understood, routine or conventional at the time of the invention. At the
27 time of invention of the '696 patent, software piracy was a grave concern and the
28 existing preventative measures employed by software companies suffered from

1 drawbacks. '696 patent at 1:34-52. For example, prior art system and methods
2 included software access codes, activation plugs (i.e., memo hasp), registration, and
3 even costly technical support services. *Id.* Although somewhat effective, these
4 prior art measures were often been defeated with relative ease and little or no
5 expense. *Id.* For example, software access codes which were entered to gain
6 access to the software, were disclosed with the software package and are thus,
7 easily copied and distributed to unlicensed users. *Id.* at 1:52-55. Activation plugs,
8 such as the ones which attach to a PC's parallel port, were easily duplicated by
9 various manufacturers who illegally sold them on the black market. *Id.* at 1:55-58.
10 Furthermore, while registration of the software would inform the manufacturer of
11 all users (licensed and unlicensed), pirates rarely registered given the absence of a
12 compelling motivation to do so. *Id.* at 1:58-61. Lastly, technical support groups
13 were likewise rarely used by pirates given their reluctance to disclose their illegal
14 use of the software. *Id.* at 1:61-63.

15 54. The inventive solution of the claimed inventions of the '696 patent
16 provides a reliable and effective method for preventing piracy of a given software
17 application over a communications network that overcomes one or more problems
18 of the prior art. *Id.* at 1:63-2:7. The solution allows a service provider to prevent
19 functioning of the software unless it is activated by the service provider. *Id.* The
20 solution allows a remote service provider to receive data from a user of a software
21 application and transmit service data (e.g., an activation code) that will activate the
22 software and allow the user to utilize the software. *Id.* at 2:16-29. In the is manner,
23 the remote service provider can limit software piracy, as only legitimate users of the
24 software will be given the service data needed to activate the software. *Id.*

25 55. A person of ordinary skill in the art reading the '696 patent and its
26 claims would understand that the patent's disclosure and claims are drawn to
27 solving a specific, technical problem arising out of the field of software piracy
28 prevention. Moreover, a person of ordinary skill in the art would understand that

1 the claimed subject matter of the '696 patent presents advancements in the field of
2 software piracy prevention and, more particularly, preventing the piracy of a given
3 software application through use of a communications network, such as the
4 Internet, wherein a given software application, installed on a user system, will
5 function only after a remote service provider transmits a code that will activate the
6 software for use. *Id.* at 1:8-16. The inventions of the '696 patent are indigenous to
7 the then nascent field of software piracy prevention.

8 56. In light of the foregoing, a person of ordinary skill in the art would
9 understand that claim 24 of the '696 patent is directed to a specific way prevent
10 piracy of a software application through the use of a remote service system over a
11 communications network that tracks the number of activation attempts for the
12 authentic copy of the software based on a unique identification code and generates
13 an activation code to activate the software (or blacklists the identification code)
14 based on the number of activation attempts. *Id.* at 1:23-30, 11:44-12:4. Moreover,
15 a person of ordinary skill in the art would understand that claim 24 of the '696
16 patent contains the inventive concept of preventing the piracy of a software
17 application through the use of a remote service system over a communications
18 network that tracks the number of activation attempts for the authentic copy of the
19 software based on a unique identification code and generates an activation code to
20 activate the software (or blacklists the identification code) based on the number of
21 activation attempts. *Id.*

22 57. Microsoft makes, uses, offers for sale, and sells in the United States
23 and imports into the United States electronic devices onto which Microsoft Office
24 products are installed and activated through Microsoft's Product Activation process
25 (collectively the "Accused Infringing Devices").

26 58. Upon information and belief, the Accused Infringing Devices infringe
27 claim 24 of the '696 patent by practicing a method in the exemplary manner
28 described below.

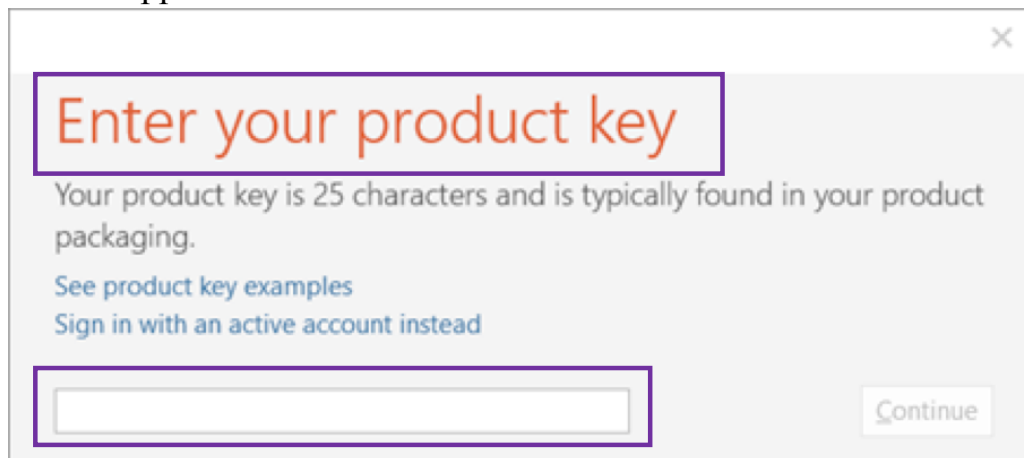
1 59. The Accused Infringing Devices prevent piracy of Office products
2 installed on user systems through Microsoft’s product activation process.

3 **Activation**

4 You must activate your Microsoft product to confirm that each copy of the product is not
5 installed on more than the limited number of computers that is indicated in the software
6 end user license agreement (EULA). The activation process can be performed by using the
7 telephone, a modem, or the Internet. None of the information that is collected during
8 activation will be used to personally identify you.

9 Source: <https://support.microsoft.com/en-us/help/326851/activation-and-registration-information-of-a-microsoft-product>

10 60. Microsoft assigns a unique identification code to each authentic copy
11 of the software application.

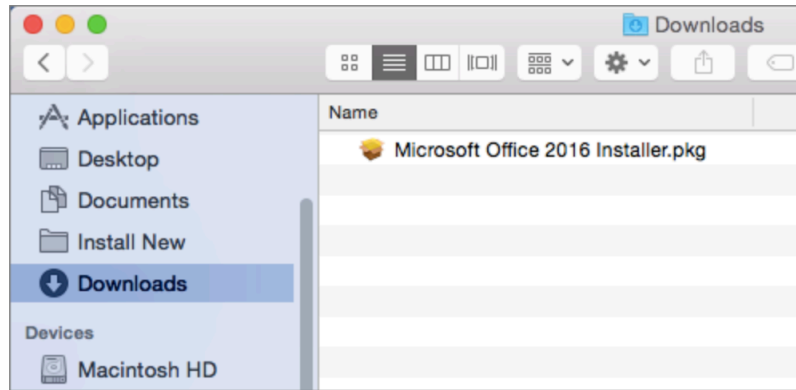


19 Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

1 61. Microsoft provides software that installs (e.g., installer software)
2 Microsoft Office products on a user's computer.

3 Step 2: Install Office

- 4
5 1. Once the download has completed, open Finder, go to **Downloads**, and double-click
6 **Microsoft_Office_2016_Installer.pkg** (the name might vary slightly).



13 **Tip:** If you see an error that says the **Microsoft_Office_2016_Installer.pkg** can't be opened because it is
14 from an unidentified developer, wait 10 seconds and then try double-clicking the installer package again.
15 If you're stuck at the **Verifying....** progress bar, close or cancel the progress bar and try again.

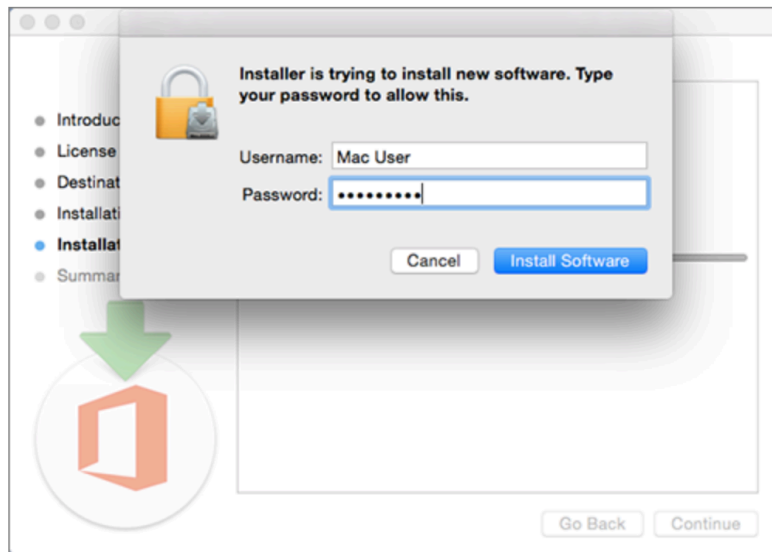
16 **Source:** <https://support.office.com/en-us/article/download-and-install-or-reinstall-office-365-or-office-2016-on-a-pc-or-mac-4414eaaf-0478-48be-9c42-23adc4716658?ui=en-US&rs=en-US&ad=US>
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1 62. The software is installed in a data storage element of the user's
2 computer (e.g, disk).

3
4 6. Review the disk space requirements or change your install location, and then click **Install**.

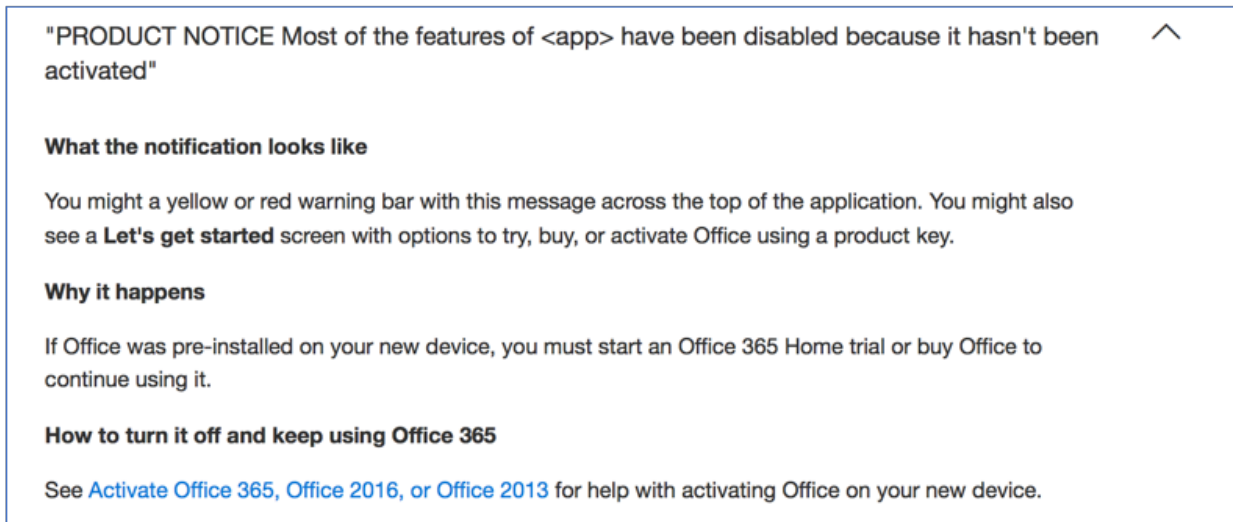
5 **Note:** If you want to only install specific Office apps and not the entire suite, click the **Customize** button
6 and uncheck the programs you don't want.

7
8 7. Enter your Mac login password, if prompted, and then click **Install Software**. (This is the password that
9 you use to log in to your Mac.)



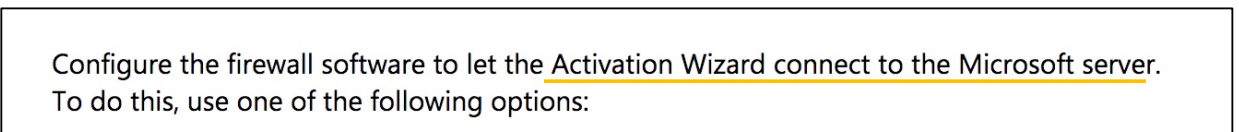
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19 **Source:** <https://support.office.com/en-us/article/download-and-install-or-reinstall-office-365-or-office-2016-on-a-pc-or-mac-4414eaaf-0478-48be-9c42-23adc4716658?ui=en-US&rs=en-US&ad=US>
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1 63. The software application (e.g., Office products) can be installed before
2 (or after) the entry of a product key.



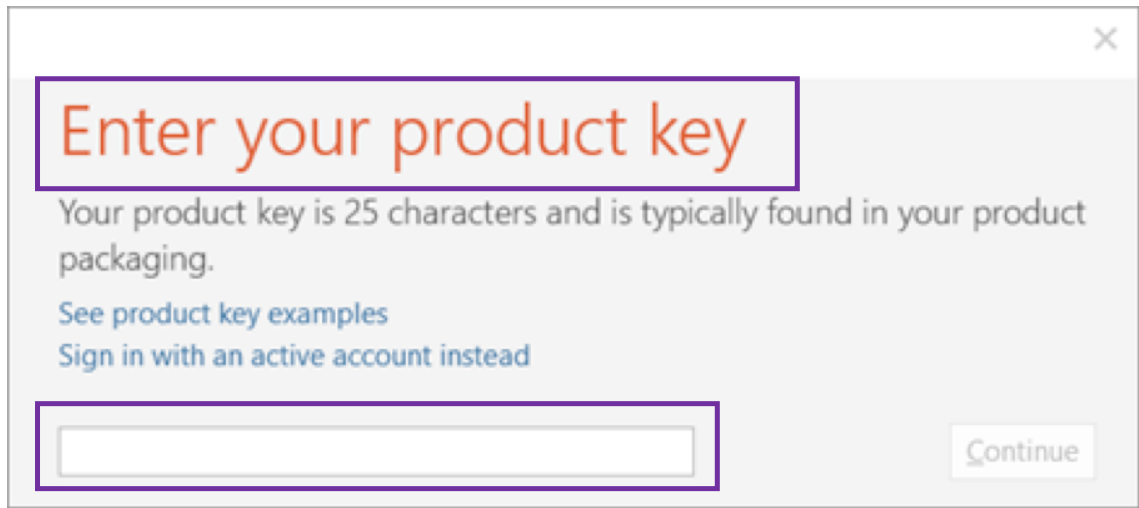
12 **Source:** <https://support.office.com/en-us/article/a-subscription-notice-appears-when-i-open-an-office-365-application-4cabe32c-f594-4c0e-9191-3d3ade10cceb>

13
14 64. Microsoft configures its software applications (e.g, Office products) to
15 require service data (e.g., an authorization code) to activate at least part of its
16 functionality.



20 **Source:** <https://support.microsoft.com/en-us/help/822519/when-you-try-to-activate-office-programs-over-the-internet-you-receive>

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Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

No Office entitlement found on device

Symptoms

You start up the Office on a new device and you get a message that "Office isn't entitled on this device" along with the option to try Office, enter a product key or purchase Office.

Source: <https://support.microsoft.com/lo-la/help/2987490/no-office-entitlement-found-on-device>

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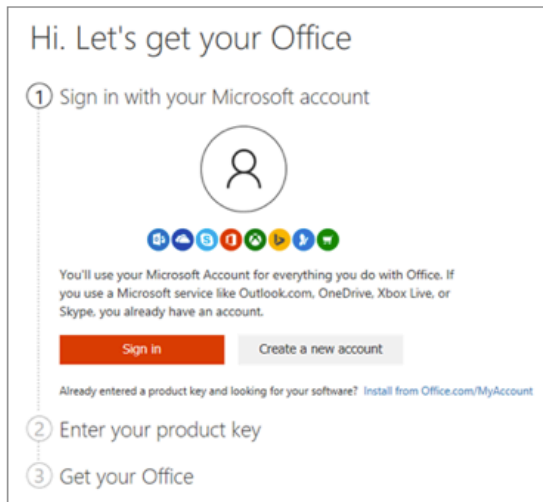


Source: <https://support.office.com/en-us/article/office-repeatedly-prompts-you-to-activate-on-a-new-pc-a9a6b05f-f6ce-4d1f-8d49-eb5007b64ba1>

65. Microsoft’s Product Activation requires the user to communicate user data over a communications network to a remote service provider (e.g., the Microsoft activation server). The user data is derived, at least in part, from the unique identification code (e.g., the product key). The user data may also include a user’s personal Microsoft account information, which is required before a user can enter the product key for certain Office products.

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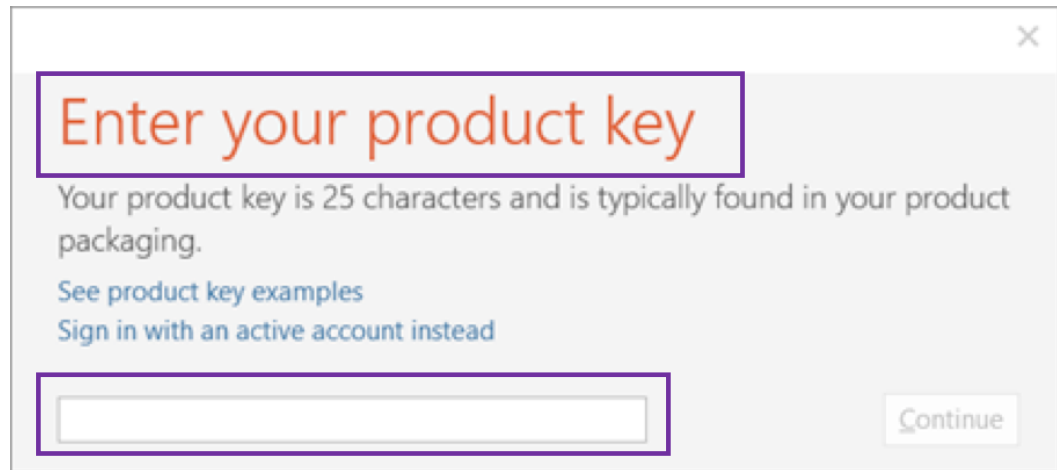
If you see "Hi. Let's get your Office"



This is the <https://setup.office.com/> page in your web browser. This is where you go to enter a new product key to install a new copy of Office, or to start or renew an Office 365 subscription. You must enter a Microsoft account before you can enter your product key. A Microsoft account is required for Office 365, Office 2016, and Office 2013.

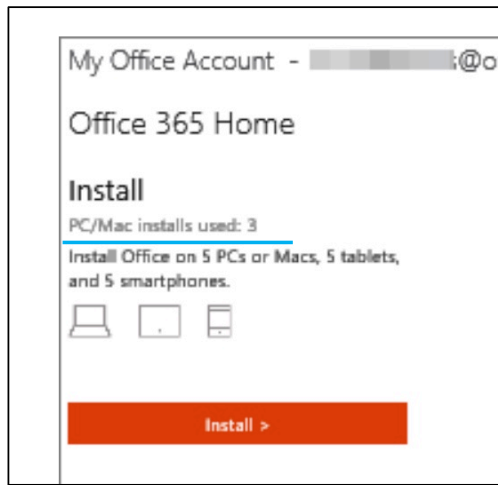
[Get help with Office.com/setup](https://support.office.com/setup)

Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>



Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

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Source: <https://support.office.com/en-us/article/sign-in-to-my-office-account-to-install-office-or-manage-your-office-365-subscription-959ac957-8d37-4ae4-b1b6-d6e4874e013f>

Managing installs

Regardless of your subscription tier you'll have an upper limit on how many times you can install the Office desktop apps. [Your account management page will show you](#) which devices you're currently using an install on [and how many you have available](#).

Office 365 Personal
For 1 PC or Mac and 1 Tablet

Install Information

PC, Mac, and Windows Tablet Installs	Installed	Office for Windows	Install
Computer name RICHARDS-XPS-13 (Microsoft Windows 8.1 Pro) Used By: You	Tuesday, May 5, 2015 Deactivate Install	Language: English Language and install options	Install Need help installing?

Experience a whole new kind of Office.

Thank you for purchasing Office. Enter your Product Key and then click the Get Started button below and sign into, or create your Microsoft account to begin installing Office and accessing your new services.

Enter your Product Key

Please provide the 25 character Product Key found on your packaging:

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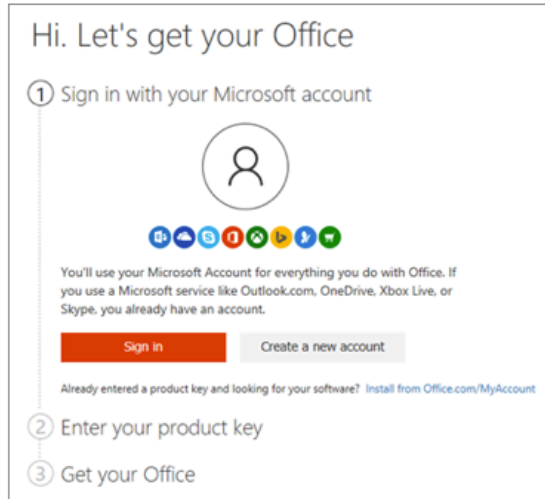
[Get Started](#)

^ Where can I find my Product Key?

Source: <https://www.windowcentral.com/how-manage-your-office-365-account-and-installs>

1 66. Microsoft examines the received user data to derive the unique
2 identification code associated with the software application.

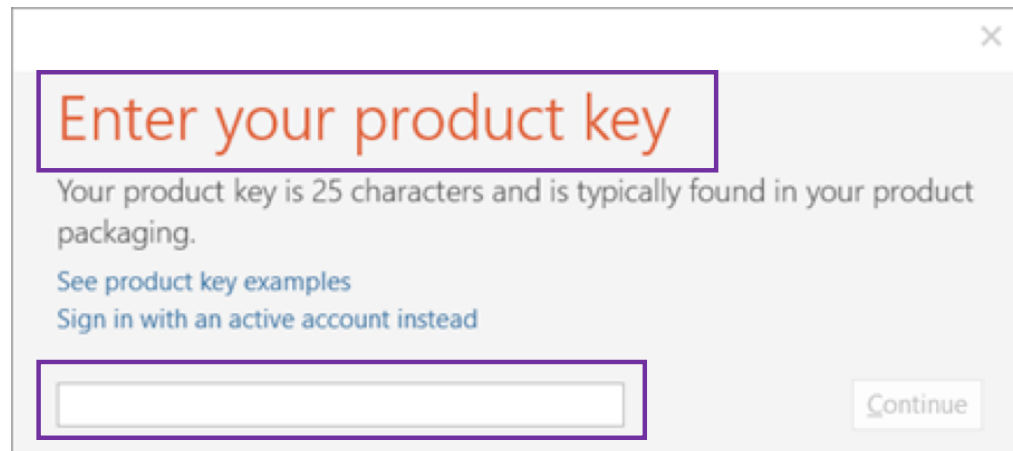
3
4 If you see "Hi. Let's get your Office"



This is the <https://setup.office.com/> page in your web browser. This is where you go to enter a new product key to install a new copy of Office, or to start or renew an Office 365 subscription. You must enter a Microsoft account before you can enter your product key. A Microsoft account is required for Office 365, Office 2016, and Office 2013.

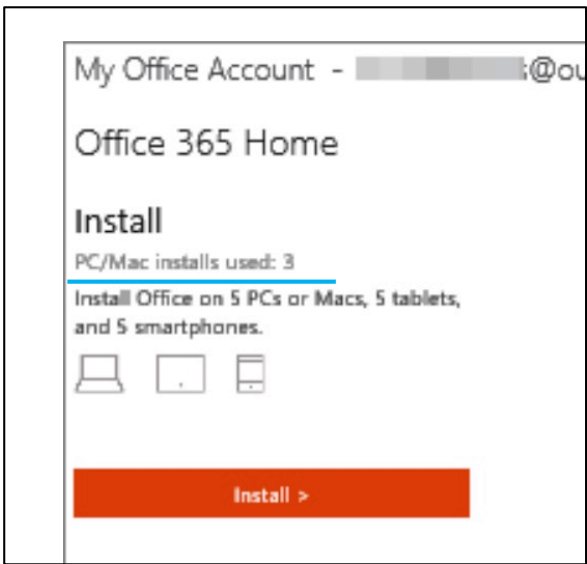
[Get help with Office.com/setup](https://support.office.com/setup)

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15 **Source:** <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>



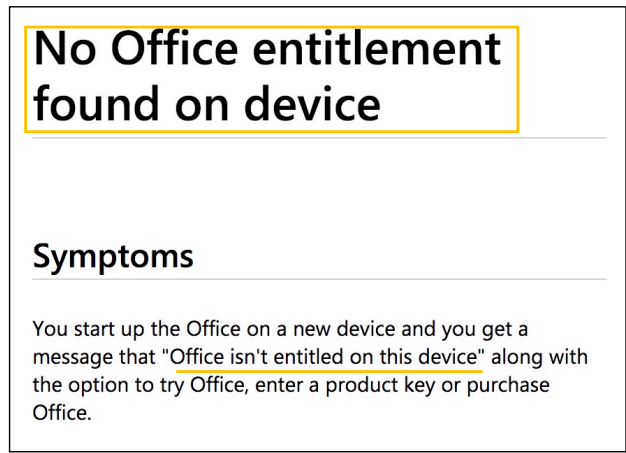
25 **Source:** <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

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Source: <https://support.office.com/en-us/article/sign-in-to-my-office-account-to-install-office-or-manage-your-office-365-subscription-959ac957-8d37-4ae4-b1b6-d6e4874e013f>

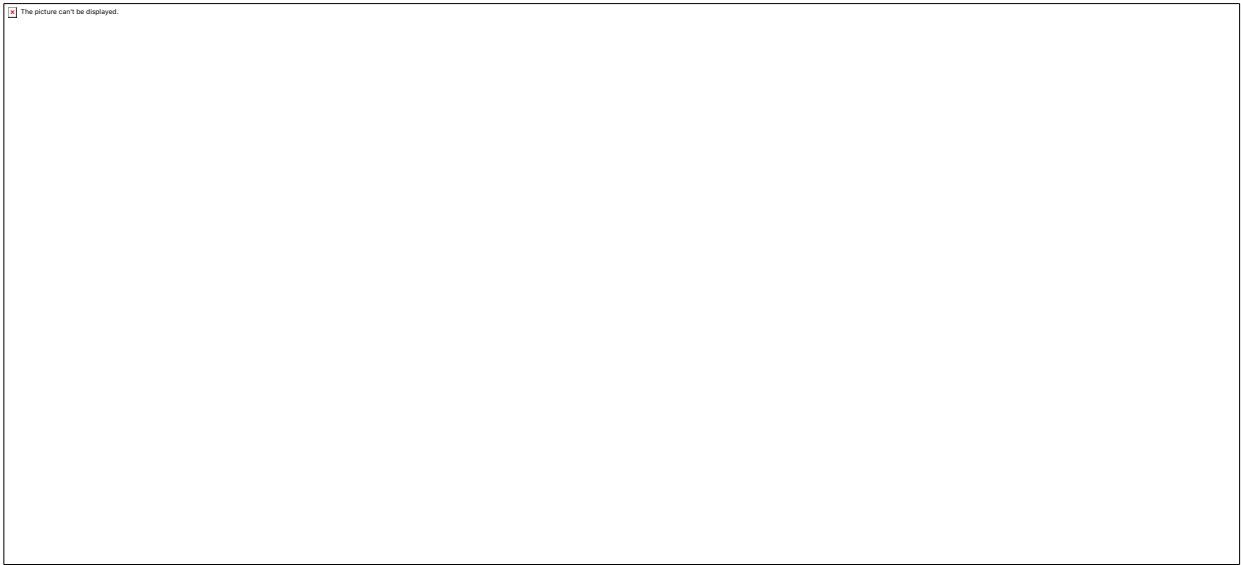
67. Microsoft determines the number of times an attempt has been made to obtain said service data in order to activate at least part of the functionality of said software application assited to such unique identification code.



Source: <https://support.microsoft.com/lo-la/help/2987490/no-office-entitlement-found-on-device>

68. If the user has not exceeded the allowed number of activation attempts, the service data (e.g., activation code) is sent and the software product (e.g., Office) is activated. This is indicated on the user management page indicating the installs that have been used and the number remaining.

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Source: <https://it.uoregon.edu/node/4481>

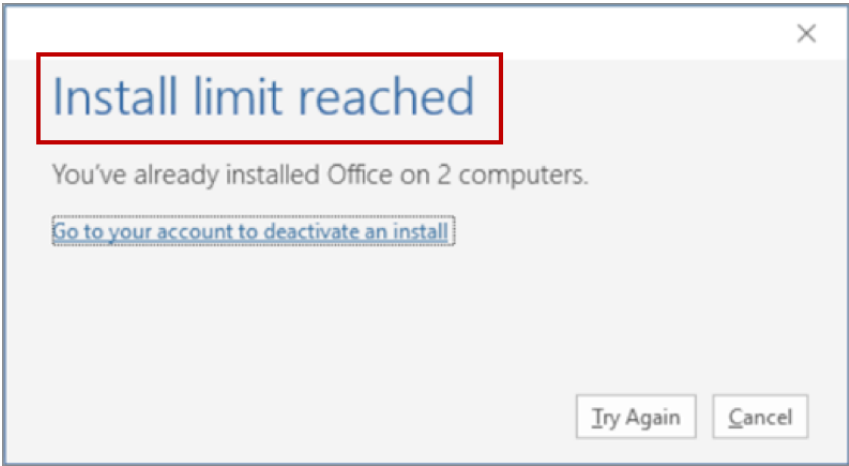
69. The Microsoft software product (e.g., Office), receives the service data within the user’s computer and activates the software assuming the installation limit has not been reached.



Source: <https://support.office.com/en-us/article/office-repeatedly-prompts-you-to-activate-on-a-new-pc-a9a6b05f-f6ce-4d1f-8d49-eb5007b64ba1>

70. Microsoft’s activation process will not activate the software if the installation limit has been reached. The only way to activate another copy associated with a unique ID is to deactivate an existing copy, freeing up an activation.

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Source: <https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e>

Deactivate an Office 365 install

Applies To: Excel for Office 365, Word for Office 365, More...

If you have an Office 365 subscription, you can deactivate an Office 365 install that you're no longer using so you can install Office 365 on a different device. Deactivating an Office 365 install does not uninstall Office, nor does it remove Office documents. Deactivating an Office 365 install is different from canceling your Office 365 subscription.

Source: https://support.office.com/en-us/article/deactivate-an-office-365-install-767e3560-96ed-4b1c-806d-2fe01c529b1b#ID0EABAAA=Office_365

71. Microsoft has infringed, and continues to infringe, at least claim 24 of the '696 patent in the United States, by making, using, offering for sale, selling and/or importing the Accused Infringing Devices in violation of 35 U.S.C. § 271(a).

72. Microsoft has also infringed, and continues to infringe, at least claim 24 of the '696 patent by actively inducing others to use, offer for sale, and sell the Accused Infringing Devices. Microsoft's users, customers, agents or other third parties who use those devices in accordance with Microsoft's instructions infringe claim 24 of the '696 patent, in violation of 35 U.S.C. § 271(a). Microsoft intentionally instructs its customers to infringe through training videos,

1 demonstrations, brochures, installation and user guides, such as those located at:
2 www.microsoft.com, www.office.com, support.office.com, support.microsoft.com
3 and related domains and subdomains. Microsoft is thereby liable for infringement
4 of the '696 patent under 35 U.S.C. § 271(b).

5 73. Microsoft has also infringed, and continues to infringe, at least claim
6 24 of the '696 patent by offering to commercially distribute, commercially
7 distributing, or importing the Accused Infringing Devices which devices are used in
8 practicing the processes, or using the systems, of the '696 patent, and constitute a
9 material part of the invention. Microsoft knows portions of the Accused Infringing
10 Devices to be especially made or especially adapted for use in infringement of the
11 '696 patent, not a staple article, and not a commodity of commerce suitable for
12 substantial noninfringing use. Microsoft is thereby liable for infringement of the
13 '696 patent under 35 U.S.C. § 271(c).

14 74. Microsoft is on notice of its infringement of the '696 patent by virtue
15 of a letter from Uniloc to Microsoft dated August 9, 2018. By the time of trial,
16 Microsoft will have known and intended (since receiving such notice) that its
17 continued actions would actively induce and contribute to the infringement of at
18 least claim 24 of the '696 patent.

19 75. Upon information and belief, Microsoft may have infringed and
20 continues to infringe the '696 patent through other software and devices utilizing
21 the same or reasonably similar functionality, including other versions of the
22 Accused Infringing Devices.

23 76. Microsoft's acts of direct and indirect infringement have caused and
24 continue to cause damage to Uniloc and Uniloc is entitled to recover damages
25 sustained as a result of Microsoft's wrongful acts in an amount subject to proof at
26 trial.

PRAYER FOR RELIEF

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2 WHEREFORE, plaintiffs Uniloc 2017 LLC, Uniloc Licensing USA LLC and
3 Uniloc USA, Inc., respectfully pray that the Court enter judgment in its favor and
4 against Microsoft as follows:

5 a. A judgment that Microsoft has infringed one or more claims of
6 the '252 patent literally and/or under the doctrine of equivalents directly and/or
7 indirectly by inducing infringement and/or by contributory infringement

8 b. A judgment that Microsoft has infringed one or more claims of
9 the '110 patent literally and/or under the doctrine of equivalents directly and/or
10 indirectly by inducing infringement and/or by contributory infringement;

11 c. A judgment that Microsoft has infringed one or more claims of
12 the '696 patent literally and/or under the doctrine of equivalents directly and/or
13 indirectly by inducing infringement and/or by contributory infringement;

14 d. That for each Asserted Patent this Court judges infringed by
15 Microsoft this Court award Uniloc its damages pursuant to 35 U.S.C. § 284 and
16 any royalties determined to be appropriate;

17 e. That this be determined to be an exceptional case under 35
18 U.S.C. § 285 and that Uniloc be awarded enhanced damages up to treble damages
19 for willful infringement as provided by 35 U.S.C. § 284;

20 f. That this Court award Uniloc prejudgment and post-judgment
21 interest on its damages;

22 g. That Uniloc be granted its reasonable attorneys' fees in this
23 action;

24 h. That this Court award Uniloc its costs; and

25 i. That this Court award Uniloc such other and further relief as the
26 Court deems proper.

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DEMAND FOR JURY TRIAL

Uniloc hereby demands trial by jury on all issues so triable pursuant to Fed. R. Civ. P. 38.

Dated: August 9, 2018

FEINBERG DAY ALBERTI LIM &
BELLOLI LLP

By: /s/ M. Elizabeth Day

M. Elizabeth Day

Attorneys for Plaintiffs
Uniloc 2017 LLC, Uniloc Licensing USA
LLC and Uniloc USA, Inc.