FIRST AMENDED COMPLAINT - CASE NO. 8:18-CV-2054-AG-JDE

1 | 2 | c | 3 | ii | 4 | a | 5 | u | 6 | a | 7

Plaintiff Uniloc 2017 LLC ("Uniloc"), by and through the undersigned counsel, hereby files this Complaint and makes the following allegations of patent infringement relating to U.S. Patent Nos. 7,020,252, 8,613,110 and 7,024,696 against Defendant Microsoft Corporation ("Microsoft"), and alleges as follows upon actual knowledge with respect to itself and its own acts and upon information and belief as to all other matters:

NATURE OF THE ACTION

- 1. This is an action for patent infringement. Uniloc alleges that Microsoft infringes U.S. Patent Nos. 7,020,252 (the "'252 patent"), 8,613,110 (the "'110 patent) and 7,024,696 (the "'696 patent"), copies of which are attached hereto as Exhibits A-C (collectively, "the Asserted Patents").
- 2. Uniloc alleges that Microsoft directly and indirectly infringes the Asserted Patents by making, using, offering for sale and selling devices that restrict or grant access to audio recordings by users based on a qualifying parameter, such as Microsoft Stream and prevent piracy of Microsoft Office products through product registration and activation. Uniloc alleges that Microsoft also induces and contributes to the infringement of others. Uniloc seeks damages and other relief for Microsoft's infringement of the Asserted Patents.

THE PARTIES

- 3. Uniloc 2017 LLC is a Delaware corporation having places of business at 1209 Orange Street, Wilmington, Delaware 19801 and 620 Newport Center Drive, Newport Beach, California 92660.
- 4. Uniloc holds all substantial rights, title and interest in and to the Asserted Patents.
- 5. Upon information and belief, Defendant Microsoft is a corporation organized and existing under the laws of the State of Washington, with the following places of business in this District: 3 Park Plaza, Suite 1600, Irvine, CA 92614; 3333 Bristol Street, Suite 1249, Costa Mesa, CA 92626; 578 The Shops at

- 1 Mission Viejo, Mission Viejo, CA 92691; 331 Los Cerritos Center, Cerritos, CA 90703; 13031 West Jefferson Blvd., Suite 200, Los Angeles, CA 90094; 2140 2 3 Glendale Galleria, JCPenney Court, Glendale, CA 91210; 10250 Santa Monica 4 Blvd., Space #1045, Los Angeles, CA 90067; 6600 Topanga Canyon Blvd, Canoga 5 Park, CA 91303. Microsoft can be served with process by serving its registered 6 agent for service of process in California: Corporation Service Company which 7 Will Do Business in California as CSC - Lawyers Incorporating Service, 2710 Gateway Oaks Dr., Ste. 150, Sacramento, CA 95833. 8 9 **JURISDICTION AND VENUE** 10 6. This action for patent infringement arises under the Patent Laws of the 11 United States, 35 U.S.C. § 1 et. seq. This Court has original jurisdiction under 28 12 U.S.C. §§ 1331 and 1338. 7. This Court has both general and specific jurisdiction over Microsoft 13 14 because Microsoft has committed acts within the Central District of California 15 giving rise to this action and has established minimum contacts with this forum
 - because Microsoft has committed acts within the Central District of California giving rise to this action and has established minimum contacts with this forum such that the exercise of jurisdiction over Microsoft would not offend traditional notions of fair play and substantial justice. Defendant Microsoft, directly and through subsidiaries, intermediaries (including distributors, retailers, franchisees and others), has committed and continues to commit acts of patent infringement in this District, by, among other things, making, using, testing, selling, licensing, importing and/or offering for sale/license products and services that infringe the Asserted Patents.

17

18

19

20

21

22

23

24

25

26

27

28

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

COUNT I- INFRINGEMENT OF U.S. PATENT NO. 7,020,252

9. The allegations of paragraphs 1-8 of this Complaint are incorporated

- 10. The '252 patent titled, "Group Audio Message Board," issued on March 28, 2006. A copy of the '252 patent is attached as Exhibit A.
- 11. Pursuant to 35 U.S.C. § 282, the '252 patent is presumed valid.

- 12. Invented by Koninklijke Philips Electronics, N.V., the inventions of the '252 patent were not well-understood, routine or conventional at the time of the invention. At the time of invention of the '252 patent, prior art message sharing systems suffered from drawbacks. '252 patent at 1:24-56. For example, in an Internet chat room, posted messages are made available almost instantly to other users. *Id.* at 1:28-29. If the message contents are to be meaningful or interesting to a user calling up, some form of restriction or segregation must be applied if the user is not to be faced with hundreds or thousands of messages of little or no relevance that have been posted in response to similarly unrelated messages. *Id.* at 1:47-53. Thus, there is a need for specialisation of, or restrictions on, content for messaging services. *Id.* at 1:54-56.
- 13. The inventive solution of the claimed inventions of the '252 patent provides a system and method whereby messages posted at a communal location by a first user and made available to other users will be relevant to those users. *Id.* at 1:60-63. In accordance with one aspect of the invention, the recordal of each message comprises capture and storage of at least one qualifying parameter pertaining to the access to the recorded message. *Id.* at 1:64-2:5. The qualifying parameter is used to enable access by a user having a matching qualifying parameter to previously recorded messages. *Id.* at 2:6-10. With the recorded messages being classified according to a qualifying parameter, and only released again when that parameter is matched, the need for handling large numbers of irrelevant messages for the user is considerably reduced. *Id.* at 2:10-14.
- 14. A person of ordinary skill in the art reading the '252 patent and its claims would understand that the patent's disclosure and claims are drawn to

- solving a specific, technical problem arising in message sharing systems. Moreover, a person of ordinary skill in the art would understand that the claimed subject matter of the '252 patent presents advancements in the field of data storage and retrieval services and, more particularly, message recording and replay services for users of communications devices. And, as detailed by the specification, the prior message sharing systems suffered drawbacks such that a new and novel communications system was required.
- 15. In light of the foregoing, a person of ordinary skill in the art would understand that claim 2 of the '252 patent is directed to communal audio message recordal for multiple users where qualifying parameters that include user-supplied indications of a personal characteristic are used to enable or deny subsequent access to previously recorded audio data. *Id.* at 6:16-32. Moreover, a person of ordinary skill in the art would understand that claim 2 of the '252 patent contains the inventive concept of communal audio message recordal for multiple users where qualifying parameters that include user-supplied indications of a personal characteristic are used to enable or deny subsequent access to previously recorded audio data. *Id.*
- 16. Microsoft makes, uses, offers for sale, and sells in the United States and imports into the United States electronic devices that practice a method of restricting or granting access to audio recordings by users based on a qualifying parameter, including but not limited to Microsoft Stream (collectively the "Accused Infringing Devices").
- 17. Upon information and belief, the Accused Infringing Devices infringe claim 2 of the '252 patent by practicing a method in the exemplary manner described below.
- 18. The Accused Infringing Devices provide a method for enabling communal audio message recordal including a provision of audio data recorder coupled with a communications system configured to enable multiple users to

access the audio data recorder and to record (e.g., recording by uploading the audio visual file or using a tool on the user's screen to record an audio visusal file) respective audio messages, wherein a recordal of each message comprises:

Recording by Uploading:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

28

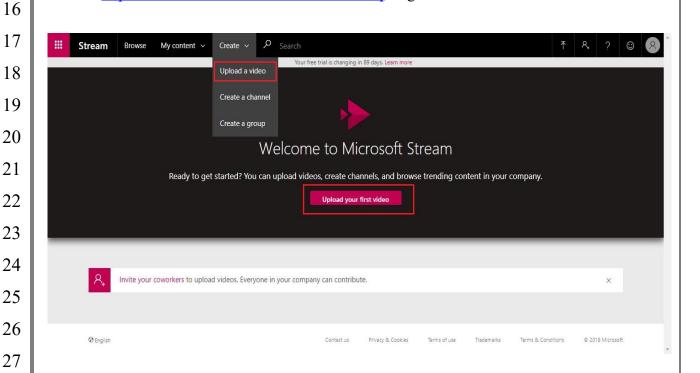
What is Microsoft Stream?

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

Who is Microsoft Stream intended for?

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

Source: https://docs.microsoft.com/en-us/stream/faq, Page1



Source: https://web.microsoftstream.com/, Page 1

5_

Recording with Screen Recording Tool

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.

Record a video using the screen recording tool

団 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

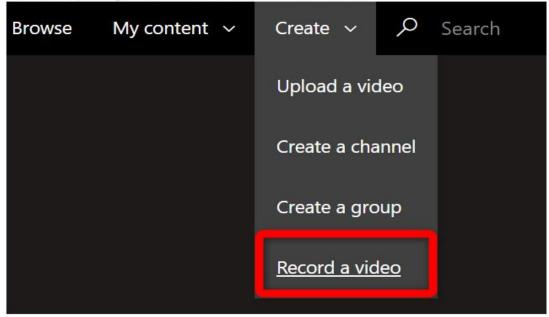
- System requirements
 - o Mac OS 10.11 or newer, 64-bit
 - Windows 7 SP1 or newer, 64-bit, .NET 4.6 (will install if necessary)
- Once installed, screen recorder must be launched from the within Stream portal for each video recording (see step 1, below)

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

6.

Workflow

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

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

7__

Make this group companywide ①

26

27

28

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.

Search for people	■ Allow members to contribute ①
Member ①	Owner ①
× Me (saraje®)	

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

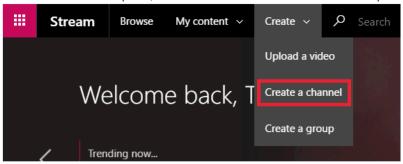
19. The Accused Infringing Devices have a feature of generating and storing at least one qualifying parameter pertaining to the access to the audio data recorder;

Considerations

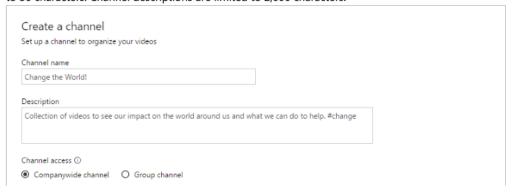
- Companywide channels must have a unique name across your organization.
- Group channels must have a unique name within a group.
- A description and channel image should be added to make it easier for people to find and recognize your channel
- Custom channel images should be a square. If the image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

Create a new channel

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



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.



Source: https://docs.microsoft.com/en-us/stream/portal-create-channel

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

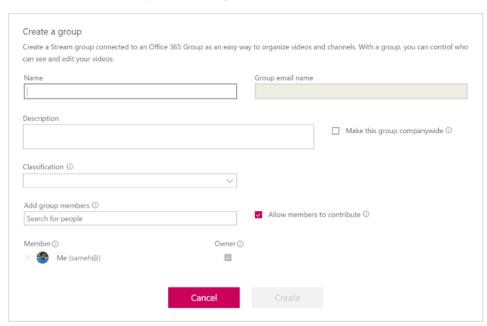
Group permissions

Groups have the following access and privacy characteristics:

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

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

For more information: Group access settings.



Channel permissions

Channels are an organization method for videos, but not a permission method. Channels don't have any permissions 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.

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

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

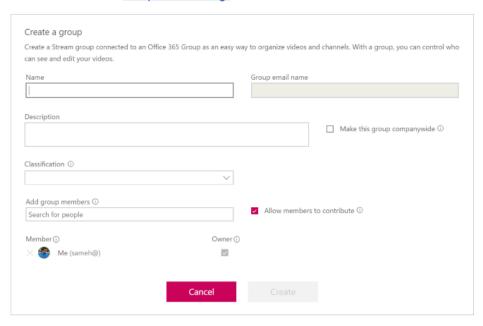
Group permissions

Groups have the following access and privacy characteristics:

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

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

For more information: Group access settings.



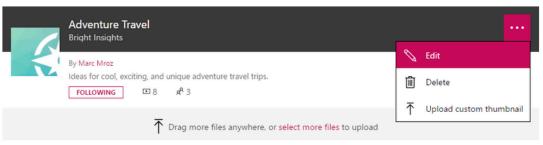
Channel permissions

Channels are an organization method for videos, but not a permission method. Channels don't have any permissions 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.

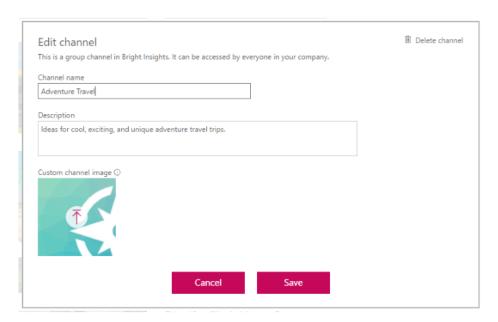
Source: https://docs.microsoft.com/en-us/stream/portal-permissions#group-permissions

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

- 22. 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).
- 23. 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

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

- demonstrations, brochures, installation and user guides, such as those located at: www.microsoft.com, support.microsoft.com, https://stream.microsoft.com/en-us/, and related domains and subdomains. Microsoft is thereby liable for infringement of the '252 patent under 35 U.S.C. § 271(b).
- 24. Microsoft has also infringed, and continues to infringe, at least claim 2 of the '252 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 '252 patent, and constitute a material part of the invention. Microsoft knows portions of the Accused Infringing Devices to be especially made or especially adapted for use in infringement of the '252 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Microsoft is thereby liable for infringement of the '252 patent under 35 U.S.C. § 271(c).
- 25. Microsoft is on notice of its infringement of the '252 patent by virtue of a letter from Uniloc to Microsoft dated July 30, 2018. By the time of trial, Microsoft will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of at least claim 2 of the '252 patent.
- 26. Upon information and belief, Microsoft may have infringed and continues to infringe the '252 patent through other software and devices utilizing the same or reasonably similar functionality, including other versions of the Accused Infringing Devices.
- 27. Microsoft's acts of direct and indirect infringement have caused and continue to cause damage to Uniloc and Uniloc is entitled to recover damages sustained as a result of Microsoft's wrongful acts in an amount subject to proof at trial.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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

- 28. The allegations of paragraphs 1-8 of this Complaint are incorporated by reference as though fully set forth herein.
- 29. The '110 patent titled, "Software Piracy Prevention Through Remote Enforcement Of An Activiation Threshold," issued on December 17, 2013. A copy of the '110 patent is attached as Exhibit B.
 - 30. Pursuant to 35 U.S.C. § 282, the '110 patent is presumed valid.
- Invented by Mr. Reuben Bahar, the inventions of the '110 patent were 31. not well-understood, routine or conventional at the time of the invention. At the time of invention of the '110 patent, software piracy was a grave concern and the existing preventative measures employed by software companies suffered from drawbacks. '110 patent at 1:49-67. For example, prior art system and methods included software access codes, activation plugs (i.e., Memo-HASP), registration, and even costly technical support services. *Id.* Although somewhat effective, these prior art measures were often defeated with relative ease and little or no expense. *Id.* For example, software access codes which were entered to gain access to the software, were disclosed with the software package and are thus, easily copied and distributed to unlicensed users. *Id.* at 1:67-2:3. Activation plugs, such as the ones which attach to a PC's parallel port, were easily duplicated by various manufacturers who illegally sold them on the black market. *Id.* at 2:3-6. Furthermore, while registration of the software would inform the manufacturer of all users (licensed and unlicensed), pirators rarely registered given the absence of a compelling motivation to do so. *Id.* at 2:6-10. Lastly, technical support groups were likewise rarely used by pirators given their reluctance to disclose their illegal use of the software. *Id.* at 2:1-13.
- 32. The inventive solution of the claimed inventions of the '110 patent provides a reliable and effective method for preventing piracy of a given software application over a communications network that overcomes one or more problems

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

- 33. A person of ordinary skill in the art reading the '110 patent and its claims would understand that the patent's disclosure and claims are drawn to solving a specific, technical problem arising out of the field of software piracy prevention. Moreover, a person of ordinary skill in the art would understand that the claimed subject matter of the '110 patent presents advancements in the field of software piracy prevention and, more particularly, preventing the piracy of a given software application through use of a communications network, such as the Internet, wherein a given software application, installed on a user system, will function only after a remote service provider transmits a code that will activate the software for use. *Id.* at 1:23-30. The inventions of the '110 patent are indigenous to the then nascent field of software piracy prevention.
- In light of the foregoing, a person of ordinary skill in the art would 34. understand that claim 1 of the '110 patent is directed to a specific way to prevent piracy of a software application through the use of a remote service system over a commuications network that tracks the number of activation attempts for the authentic copy of the software based on a unique identification code and generates an activation code to activate the software (or blacklists the identification code) based on the number of activation attempts. *Id.* at 1:23-30, 9:4-23. Moreover, a person of ordinary skill in the art would understand that claim 1 of the '110 patent contains the inventive concept of preventing the piracy of a software application through the use of a remote service system over a communications network that

- tracks the number of activation attempts for the authentic copy of the software based on a unique identification code and generates an activation code to activate the software (or blacklists the identification code) based on the number of activation attempts. *Id*.
- 35. Microsoft makes, uses, offers for sale, and sells in the United States and imports into the United States Microsoft Office products and then activates the Microsoft Office products for end users through Microsoft's product activation process (collectively the "Accused Infringing Devices").
- 36. Upon information and belief, the Accused Infringing Devices infringe claim 1 of the '110 patent by practicing a method in the exemplary manner described below.
- 37. The Accused Infringing Devices prevent piracy of Microsoft Office products installed in a data storage element on a user's computer through an activation process. In the activation process, software is first installed on one or more computers, but is only operational after it is activated. The activation process includes Microsoft sending an activation code or entitlement to the computer or device that has an installed copy of the software. The sending of the activation codes does not always result in an Office product being successfully activated. For example, an activation may not be fully successful if the device including the installed copy of Office has another license on it.

Activation

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

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

1 Activated with the wrong license 2 If you own multiple licenses and have installed using the incorrect one, or you had a one-3 time install of Office for Mac and then purchase Office 365, you might need to remove licenses attached to your suite of Office and reactivate to ensure you're getting all the 4 benefits of Office 365. 5 See Remove Office license files on a Mac for directions on how to check which license 6 you're using and how to reactivate. 7 8 **Source:** https://support.office.com/en-us/article/what-to-try-if-you-can-t-ins...f-bf3c-6ab945d03dea?wt.mc id=scl installoffice mac#bkmk cantactivate 9 38. 10 Microsoft operates a remote service system to receive a unique 11 identification code (i.e., a product key) from the Accused Infringing Devices that uniquely identifies an authentic copy of the software. 12 13 14 Configure the firewall software to let the Activation Wizard connect to the Microsoft server. To do this, use one of the following options: 15 16 Source: https://support.microsoft.com/en-us/help/822519/when-you-try-to-activate-officeprograms-over-the-internet-you-receive 17 18 19 Enter your product key 20 21 Your product key is 25 characters and is typically found in your product packaging. 22 See product key examples 23 Sign in with an active account instead 24 2.5 26 **Source**: https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-27 5bd38f38-db92-448b-a982-ad170b1e187e

28

Continue

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

Managing installs

My Office Account -	 -
Office 365 Home	
Install	
PC/Mac installs used: 3	
Install Office on 5 PCs or Macs, 5 tablets,	
and 5 smartphones.	
只 []	
Install >	

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

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

Office
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:
Get Start
↑ Where can I find my Product Key?

The Microsoft activation process sends an activation code to the user's 40. computer in the form of an Office entitlement.

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

27

28

11

12

13

14

15

16

17

18

19

20

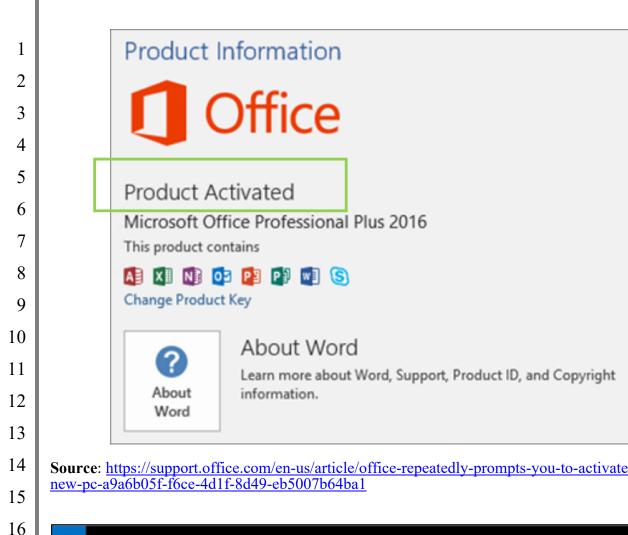
21

22

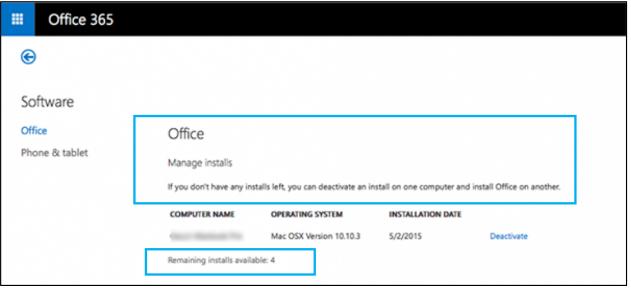
23

24

25



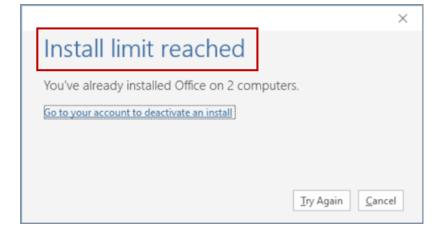
Source: https://support.office.com/en-us/article/office-repeatedly-prompts-you-to-activate-on-a-



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

Microsoft's activation process will not activate the software if the 41. "installation" limit, which includes successful and unsuccessful activation attempts, 20_

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. Although Microsoft refers to this threshold as an "install limit," it does not strictly reflect a number of "installations" (e.g., a user can install a copy of Office on a device and choose to not activate it). Rather, the "install limit" reflects the number of times an activation code has been sent to a device having an installed copy of an Office product (*i.e.*, the number of times an activation attempt has been made). Because the sending of an activation code does not always result in an Office product being successfully activated (*e.g.*, if another license is on the device), the "install limit" reflects both successful and unsuccessful activation attempts.



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

Activated with the wrong license

If you own multiple licenses and have installed using the incorrect one, or you had a one-time install of Office for Mac and then purchase Office 365, you might need to remove licenses attached to your suite of Office and reactivate to ensure you're getting all the benefits of Office 365.

See Remove Office license files on a Mac for directions on how to check which license you're using and how to reactivate.

Source: https://support.office.com/en-us/article/what-to-try-if-you-can-t-ins...f-bf3c-6ab945d03dea?wt.mc_id=scl_installoffice_mac#bkmk_cantactivate

- 42. 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).
- 43. 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).

- 44. 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 Devices to be especially made or especially adapted for use in infringement of the '110 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Microsoft is thereby liable for infringement of the '110 patent under 35 U.S.C. § 271(c).
- 45. Microsoft is on notice of its infringement of the '110 patent by virtue of a letter from Uniloc to Microsoft dated July 30, 2018. By the time of trial, Microsoft will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of at least claim 1 of the '110 patent.
- 46. Upon information and belief, Microsoft may have infringed and continues to infringe the '110 patent through other software and devices utilizing the same or reasonably similar functionality, including other versions of the Accused Infringing Devices.
- 47. Microsoft's acts of direct and indirect infringement have caused and continue to cause damage to Uniloc and Uniloc is entitled to recover damages sustained as a result of Microsoft's wrongful acts in an amount subject to proof at trial.

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

48. The allegations of paragraphs 1-10 of this Complaint are incorporated 23.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

- 49. The '696 patent titled, "Method and System For Prevention Of Piracy Of A Given Software Application Via A Communications Network," issued on April 4, 2006. A copy of the '696 patent is attached as Exhibit C.
 - 50. Pursuant to 35 U.S.C. § 282, the '696 patent is presumed valid.
- 51. Invented by Mr. Reuben Bahar, the inventions of the '110 patent were not well-understood, routine or conventional at the time of the invention. At the time of invention of the '696 patent, software piracy was a grave concern and the existing preventative measures employed by software companies suffered from drawbacks. '696 patent at 1:34-52. For example, prior art system and methods included software access codes, activation plugs (i.e., memo hasp), registration, and even costly technical support services. *Id.* Although somewhat effective, these prior art measures were often been defeated with relative ease and little or no expense. *Id.* For example, software access codes which were entered to gain access to the software, were disclosed with the software package and are thus, easily copied and distributed to unlicensed users. *Id.* at 1:52-55. Activation plugs, such as the ones which attach to a PC's parallel port, were easily duplicated by various manufacturers who illegally sold them on the black market. *Id.* at 1:55-58. Furthermore, while registration of the software would inform the manufacturer of all users (licensed and unlicensed), pirators rarely registered given the absence of a compelling motivation to do so. *Id.* at 1:58-61. Lastly, technical support groups were likewise rarely used by pirators given their reluctance to disclose their illegal use of the software. Id. at 1:61-63.
- The inventive solution of the claimed inventions of the '696 patent 52. provides a reliable and effective method for preventing piracy of a given software application over a communications network that overcomes one or more problems of the prior art. *Id.* at 1:63-2:7. The solution allows a service provider to prevent functioning of the software unless it is activated by the service provider. *Id.* The

- solution allows a remote service provider to receive data from a user of a software application and transmit service data (e.g., an activation code) that will activate the software and allow the user to utilize the software. *Id.* at 2:16-29. In the is manner, the remote service provider can limit software piracy, as only legitimate users of the software will be given the service data needed to activate the software. *Id.*
- 53. A person of ordinary skill in the art reading the '696 patent and its claims would understand that the patent's disclosure and claims are drawn to solving a specific, technical problem arising out of the field of software piracy prevention. Moreover, a person of ordinary skill in the art would understand that the claimed subject matter of the '696 patent presents advancements in the field of software piracy prevention and, more particularly, preventing the piracy of a given software application through use of a communications network, such as the Internet, wherein a given software application, installed on a user system, will function only after a remote service provider transmits a code that will activate the software for use. *Id.* at 1:8-16. The inventions of the '696 patent are indigenous to the then nascent field of software piracy prevention.
- 54. In light of the foregoing, a person of ordinary skill in the art would understand that claim 24 of the '696 patent is directed to a specific way prevent piracy of a software application through the use of a remote service system over a commuications network that tracks the number of activation attempts for the authentic copy of the software based on a unique identification code and generates an activation code to activate the software (or blacklists the identification code) based on the number of activation attempts. *Id.* at 1:23-30, 11:44-12:4. Moreover, a person of ordinary skill in the art would understand that claim 24 of the '696 patent contains the inventive concept of preventing the piracy of a software application through the use of a remote service system over a commuications network that tracks the number of activation attempts for the authentic copy of the software based on a unique identification code and generates an activation code to

a

- activate the software (or blacklists the identification code) based on the number of activation attempts. *Id*.
- 55. Microsoft makes, uses, offers for sale, and sells in the United States and imports into the United States Microsoft Office products and then activates the Microsoft Office products for end users through Microsoft's product activation process (collectively the "Accused Infringing Devices").
- 56. Upon information and belief, the Accused Infringing Devices infringe claim 24 of the '696 patent by practicing a method in the exemplary manner described below.
- 57. The Accused Infringing Devices prevent piracy of Microsoft Office products installed in a data storage element on a user's computer through an activation process. In the activation process, software is first installed on one or more computers, but is only operational after it is activated. The activation process includes Microsoft sending an activation code or entitlement to the computer or device that has an installed copy of the software. The sending of the activation codes does not always result in an Office product being successfully activated. For example, an installation may not be fully successful if the device including the installed copy of Office has another license on it.

Activation

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

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

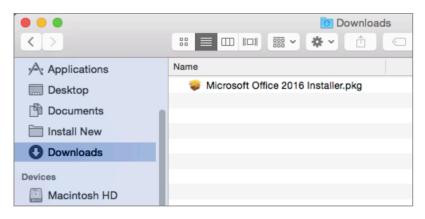
58. Microsoft assigns a unique identification code (i.e., a product key) to

each authentic copy of the software application. Enter your product key Your product key is 25 characters and is typically found in your product packaging. See product key examples Sign in with an active account instead Continue Source: https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e

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

Step 2: Install Office

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



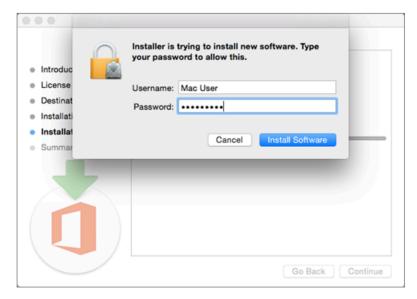
Tip: If you see an error that says the **Microsoft_Office_2016_Installer.pkg** can't be opened because it is from an unidentified developer, wait 10 seconds and then try double-clicking the installer package again. If you're stuck at the **Verifying....** progress bar, close or cancel the progress bar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

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

- 60. The software is installed in a data storage element of the user's computer (e.g, disk).
 - 6. Review the disk space requirements or change your install location, and then click Install.

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

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



 $\begin{array}{l} \textbf{Source:} \ \underline{\text{https://support.office.com/en-us/article/download-and-install-or-reinstall-office-365-or-office-2016-on-a-pc-or-mac-4414eaaf-0478-48be-9c42-23adc4716658?ui=en-US\&rs=en-US\&ad=US \\ \end{array}$

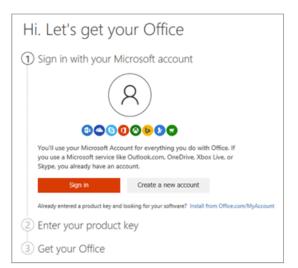
1	×
2	Enter your product key
4	Your product key is 25 characters and is typically found in your product
5	packaging.
6	See product key examples Sign in with an active account instead
7	
8	Continue
9	Source: https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-
10	5bd38f38-db92-448b-a982-ad170b1e187e
11	Nia Office and the second
12	No Office entitlement
13	found on device
14	
15	
16	Symptoms
17	You start up the Office on a new device and you get a
18	message that "Office isn't entitled on this device" along with
19	the option to try Office, enter a product key or purchase Office.
20	
21	Source : https://support.microsoft.com/lo-la/help/2987490/no-office-entitlement-found-on-device
22	
23	
24	
25	
26	
27	
28	21
	31_



 $\begin{tabular}{l} \textbf{Source}: $\underline{$https://support.office.com/en-us/article/office-repeatedly-prompts-you-to-activate-on-a-new-pc-a9a6b05f-f6ce-4d1f-8d49-eb5007b64ba1} \\ \end{tabular}$

63. 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.

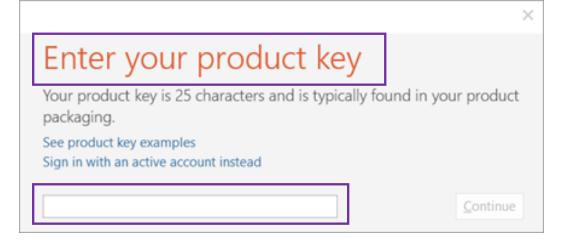
If you see "Hi. Let's get your Office"



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

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

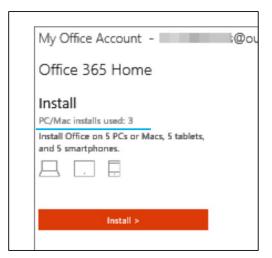


Source: https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e

ase	q
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

27

28



Source: https://support.office.com/en-us/article/sign-in-to-my-office-account-to-install-office-ormanage-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		Office for Windows	Install
Computer name	Installed	Language: English	Need help installing?
RICHARDS-XPS-13	Tuesday, May 5, 2015	Language and install options	
(Microsoft Windows 8.1 Pro)	Deactivate Install		
Used By: You			

1	Office					
Experience a whol	e new kind of Offic	e.				
Thank you for purc Microsoft account t					arted button below and	sign into, or create your
Enter your Produc	Key					
Please provide the	5 character Produc	t Key found or	n your packagii	ng:		
-	-	-	-			Get Started
↑ Where can I find	ny Product Key?					

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

Microsoft examines the received user data to derive the unique 64. identification code associated with the software application.

3

4

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

Create a new account

Already entered a product key and looking for your software? Install from Office.com/MyA

5 Hi. Let's get your Office 6 1 Sign in with your Microsoft account 7 8 9 @@@**@@@** You'll use your Microsoft Account for everything you do with Office. If you use a Microsoft service like Outlook.com, OneDrive, Xbox Live, or 10

Skype, you already have an account.

(2) Enter your product key

packaging.

See product key examples

Sign in with an active account instead

3 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.

Continue

Get help with Office.com/setup

11

12 13

14

15

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

Your product key is 25 characters and is typically found in your product

Enter your product key

16 17

18 19

20

21

22 23

24

25

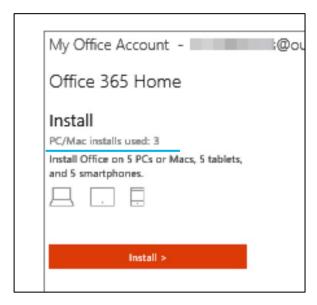
Source: https://support.office.com/en-us/article/activate-office-365-office-2016-or-office-2013-5bd38f38-db92-448b-a982-ad170b1e187e

26 27

28

35_

	1
	2
	3
	4
	5
	6
	7
	8
	9
1	0
1	1
1	2
1	3
1	4
1	5
1	6
1	7
1	8
1	9
2	0
2	1
2	2
2	3
2	4
2	5
2	6
2	7



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

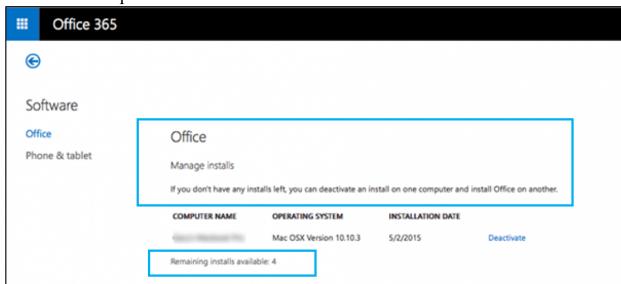
65. Microsoft determines the number of times an attempt has been made to obtain said service data in order to activate at least part of the functionality of said software application assited to such unique identification code.



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

66. If the user has not exceeded the allowed number of activation attempts, which may include successful and unsuccessful activations, 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. Although Microsoft refers to this threshold as an "install limit," it does not strictly reflect a number of "installations" (e.g., a user can install a copy of Office on a device and choose to not activate it). Instead, the "install limit" reflects the number of times an activation code has been sent to a device having an installed copy of an Office product (*i.e.*, the number of times an activation attempt has been made). Because the sending of an activation code does not always result in an Office product being successfully activated (*e.g.*, if another license is on the device), the "install limit" reflects both successful and unsuccessful activation attempts.



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

Activated with the wrong license

If you own multiple licenses and have installed using the incorrect one, or you had a one-time install of Office for Mac and then purchase Office 365, you might need to remove licenses attached to your suite of Office and reactivate to ensure you're getting all the benefits of Office 365.

See Remove Office license files on a Mac for directions on how to check which license you're using and how to reactivate.

Source: https://support.office.com/en-us/article/what-to-try-if-you-can-t-ins...f-bf3c-6ab945d03dea?wt.mc id=scl installoffice mac#bkmk cantactivate

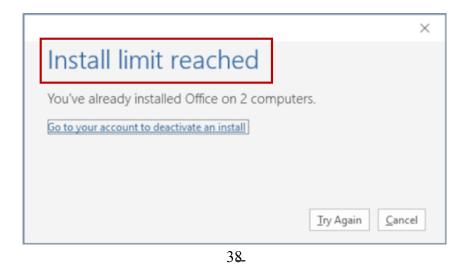
67. The Microsoft software product (e.g., Office), receives the service data within the user's computer and activates the software assuming the installation limit has not been reached.

2.5



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

68. Microsoft's activation process will not send an activation code if the "installation limit" has been reached. Because activation codes do not always result in an Office product being successfully activated (e.g., if another license is on the device), the "install limit" reflects both successful and unsuccessful activations.



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

Activated with the wrong license

If you own multiple licenses and have installed using the incorrect one, or you had a one-time install of Office for Mac and then purchase Office 365, you might need to remove licenses attached to your suite of Office and reactivate to ensure you're getting all the benefits of Office 365.

See Remove Office license files on a Mac for directions on how to check which license you're using and how to reactivate.

Source: https://support.office.com/en-us/article/what-to-try-if-you-can-t-ins...f-bf3c 6ab945d03dea?wt.mc_id=scl_installoffice_mac#bkmk_cantactivate

- 69. 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).
- 70. 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

- 71. Microsoft has also infringed, and continues to infringe, at least claim 24 of the '696 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 '696 patent, and constitute a material part of the invention. Microsoft knows portions of the Accused Infringing Devices to be especially made or especially adapted for use in infringement of the '696 patent, not a staple article, and not a commodity of commerce suitable for substantial noninfringing use. Microsoft is thereby liable for infringement of the '696 patent under 35 U.S.C. § 271(c).
- 72. Microsoft is on notice of its infringement of the '696 patent by virtue of a letter from Uniloc to Microsoft dated August 8, 2018. By the time of trial, Microsoft will have known and intended (since receiving such notice) that its continued actions would actively induce and contribute to the infringement of at least claim 24 of the '696 patent.
- 73. Upon information and belief, Microsoft may have infringed and continues to infringe the '696 patent through other software and devices utilizing the same or reasonably similar functionality, including other versions of the Accused Infringing Devices.
- 74. Microsoft's acts of direct and indirect infringement have caused and continue to cause damage to Uniloc and Uniloc is entitled to recover damages sustained as a result of Microsoft's wrongful acts in an amount subject to proof at

1 trial. 2 PRAYER FOR RELIEF 3 WHEREFORE, plaintiff Uniloc 2017 LLC respectfully prays that the Court 4 enter judgment in its favor and against Microsoft as follows: A judgment that Microsoft has infringed one or more claims of 5 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 A judgment that Microsoft has infringed one or more claims of 8 b. 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; A judgment that Microsoft has infringed one or more claims of 11 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 any royalties determined to be appropriate; 16 17 That this be determined to be an exceptional case under 35 e. U.S.C. § 285 and that Uniloc be awarded enhanced damages up to treble damages 18 for willful infringement as provided by 35 U.S.C. § 284; 19 f. 20 That this Court award Uniloc prejudgment and post-judgment 21 interest on its damages; 22 That Uniloc be granted its reasonable attorneys' fees in this g. 23 action; 24 h. That this Court award Uniloc its costs; and 25 That this Court award Uniloc such other and further relief as the 26 Court deems proper. 27 28

DEMAND FOR JURY TRIAL Uniloc hereby demands trial by jury on all issues so triable pursuant to Fed. R. Civ. P. 38. Dated: December 24, 2018 FEINBERG DAY ALBERTI LIM & BELLOLI LLP By: /s/ M. Elizabeth Day M. Elizabeth Day Attorneys for Plaintiff Uniloc 2017 LLC 42_