

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

UNILOC 2017 LLC, Plaintiff, v. APPLE INC., Defendant.	Case No. 1:18-cv-00990-LY
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AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff, Uniloc 2017 LLC (“Uniloc”), for its complaint against defendant, Apple Inc. (“Apple”), alleges:

THE PARTIES

1. Uniloc 2017 LLC is a Delaware limited liability company, having addresses at 1209 Orange Street, Wilmington, Delaware 19801; 620 Newport Center Drive, Newport Beach, California 92660; and 102 N. College Avenue, Suite 303, Tyler, Texas 75702.

2. Apple is a California corporation, having regular and established places of business at 12535 Riata Vista Circle and 5501 West Parmer Lane, Austin, Texas.

JURISDICTION

3. Uniloc brings this action for patent infringement under the patent laws of the United States, 35 U.S.C. § 271, *et seq.* This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

CLAIM FOR PATENT INFRINGEMENT

4. Uniloc is the owner, by assignment, of U.S. Patent No. 7,136,999 (“the ’999 Patent”) entitled METHOD AND SYSTEM FOR ELECTRONIC DEVICE AUTHENTICATION, which issued November 14, 2006, on an application filed June 20, 2000. A copy of the ’999 Patent was attached to the original Complaint as Exhibit A.

5. The ’999 Patent describes in detail, and claims in various ways, inventions in providing authentication of devices in mobile, wireless communication.

6. The ’999 Patent describes problems and shortcomings in the then-existing field of providing security in communications between devices using Bluetooth. *See, e.g.*, Ex. A at 1:54-59.

7. The written description of the ’999 Patent describes in technical detail each of the limitations of the claims, allowing a person of ordinary skill in the art to understand what the limitations cover and how the combination of claim elements differed markedly from and improved upon what may have been considered conventional or generic.

8. Apple uses, offers for sale, sells, and imports electronic devices that use Apple’s AirDrop feature to share between devices photos, videos, contacts, voice memos, and location, including: iPhone5, iPhone 5c, iPhone 5s, iPhone 6, iPhone 6 Plus, iPhone 6s, iPhone 6s Plus, iPhone SE, iPhone 7, iPhone 7 Plus, iPhone 8, iPhone 8 Plus, iPhone X, iPhone XR, iPhone XS, iPhone XS Max, iPad (4th, 5th gen.), iPad Mini, iPad Mini 2, iPad Mini 3, iPad Mini 4, iPad Pro, iPad Air, iPad Air 2, MacBook, MacBook Air (11 inches, 13 inches), MacBook Pro (13 and 15 inches), iMac (21.5 and 27 inches), Mac Mini, Mac Pro, iPod (5th gen.) and iPod touch (4th, 5th, 6th gen.) (together, “Accused Infringing Devices”).

9. The Accused Infringing Devices include Bluetooth and WiFi functionality and use Apple's AirDrop feature to exchange data, such as photos, videos, contacts, voice memos, and location information, between such devices.

10. When in range of WiFi or Bluetooth, users enable AirDrop by tapping on the AirDrop button on a first Accused Infringing Device (*e.g.*, an iPhone). When AirDrop is enabled, a 2048-bit RSA identity is stored on that first Accused Infringing Device and an AirDrop identity hash is created based on the email address and phone number associated with the user's Apple ID.

11. Once AirDrop has been enabled, the first Accused Infringing Device emits an AirDrop advertisement signal over Bluetooth, and a second Accused Infringing Device (*e.g.*, another iPhone) with AirDrop enabled that is located within range of the signal responds by sending over Bluetooth a shortened version of its own identity hash.

12. If the second Accused Infringing Device's shortened identity hash is recognized as a contact by the first Accused Infringing Device, the first Accused Infringing Device creates a peer-to-peer WiFi network (*e.g.*, WiFi Direct), over which the second Accused Infringing Device sends its full identity hash to the first Accused Infringing Device. If the second Accused Infringing Device's full identity hash is recognized by the first Accused Infringing Device, the second Accused Infringing Device user's identity is displayed on the first Accused Infringing Device share sheet.

13. To send, for example, a photo to the second Accused Infringing Device, the user taps on the selected photo, the share button, and then the AirDrop button on the first Accused Infringing Device. The first Accused Infringing Device displays any AirDrop enabled devices

within range that are recognized by the first Accused Infringing Device as a contact (or each such detected device if the contact default is disabled).

14. Once the second Accused Infringing Device's identity has been confirmed as described above by tapping on the displayed intended recipient's button on the first Accused Infringing Device, the photo is sent over the direct WiFi channel (enabled by Bonjour) to the second Accused Infringing Device.

15. Apple has infringed, and continues to infringe, the '999 Patent by making, using, offering for sale, selling, and importing the Accused Infringing Devices, as further described in the attached Exhibit 1 to this Amended Complaint, which shows the Accused Infringing Devices include every limitation of claim 13. Apple installed the infringing functionality in its products because it intended that its customers use that functionality.

16. Apple has been on notice of the '999 Patent since, at the latest, the service of the original Complaint. Apple has also been on notice of Uniloc's infringement allegations and theory of infringement since that date of service, as well as the date of its receipt of Exhibit 1 to this Amended Complaint.

17. Since receiving that notice, Apple has known the Accused Infringing Devices, which incorporate components and software that cause the devices to operate automatically as described above, infringe the '999 Patent.

18. Since receiving the notice of infringement in the original Complaint and the explanation of Uniloc's theory of infringement in Exhibit 1 to this Amended Complaint, Apple has known its customers were, and are, infringing the '999 Patent.

19. In its marketing, promotional, and instructional materials, Apple intentionally instructs its customers to use the Accused Infringing Devices in a manner that Apple knows causes them to infringe the '999 Patent.

20. Apple intentionally instructs its customers to use the Accused Infringing Products, in a manner that Apple knows infringes the '999 Patent, through training videos, demonstrations, brochures, installation and user guides, and other instructional and marketing materials, such as those shown on Exhibit 2 to this Amended Complaint.

21. Since receiving the notice of infringement described above, Apple has known that the above instructions instruct its customers how to use the Accused Infringing Devices to infringe the '999 Patent and encourage those customers to do so.

22. Apple has also infringed, and continues to infringe, the '999 Patent by offering to sell, selling, and importing the Accused Infringing Devices, which devices are a component of the system and used to practice the methods of the '999 Patent, and which constitute a material part of the invention. Apple knows portions of the software on the Accused Infringing Devices that provides the above functionality were especially written solely for use to implement what it now knows is infringement of the '999 Patent, as described above. Apple also now knows those portions have no use, other than for infringement.

23. Apple now knows, and has known since receiving the notice of infringement described above, its continued actions induce and contribute to infringement of the '999 Patent. Despite that, and as further evidence of its intent that its customers infringe, Apple has refused to discontinue its infringing acts, and has induced infringement by failing, since learning of Uniloc's infringement allegations, to remove or distinguish the infringing features of the Accused Infringing Devices or otherwise place a non-infringing limit on their use.

24. Apple may have infringed the '999 Patent through other software and devices utilizing the same or reasonably similar functionality, including other versions of the Accused Infringing Products.

25. Uniloc has been damaged by Apple's infringement of the '999 Patent.

PRAYER FOR RELIEF

Uniloc requests that the Court enter judgment against Apple:

- (A) declaring that Apple has infringed the '999 Patent;
- (B) awarding Uniloc its damages suffered as a result of Apple's infringement of the '999 Patent;
- (C) awarding Uniloc its costs, attorney fees, expenses, and interest; and
- (D) granting Uniloc such further relief as the Court finds appropriate.

Date: January 8, 2019

Respectfully submitted,

/s/ Kevin Gannon

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ATTORNEYS FOR THE PLAINTIFF

CERTIFICATE OF SERVICE

I certify that all counsel of record who have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system on January 8, 2019.

/s/ Kevin Gannon

Kevin Gannon