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21 ZTE (USA) Inc.

22 UNITED STATES DISTRICT COURT  
23 NORTHERN DISTRICT OF CALIFORNIA  
24 OAKLAND DIVISION

25 ZTE (USA) INC.,  
26  
27 Plaintiff,  
28  
29 v.  
30  
31 AGIS SOFTWARE DEVELOPMENT LLC,  
32  
33 Defendant.

Case No. 4:18-cv-06185-HSG  
(Former Case No. 2:17-cv-00517-JRG)  
(E.D. Tex.)

**PLAINTIFF'S SECOND AMENDED  
COMPLAINT FOR DECLARATORY  
JUDGMENT**

1 Plaintiff ZTE (USA) Inc. (“ZTE”), files this Second Amended Complaint against Defendant  
2 AGIS Software Development LLC (“AGIS”) seeking declaratory judgment of non-infringement,  
3 and/or unenforceability as to U.S. Patent Nos. 8,213,970; 9,408,055; 9,445,251; 9,467,838; and  
4 9,749,829 (collectively, the “Patents-in-Suit”). Additionally, ZTE hereby incorporates by reference  
5 the Complaint filed against Defendant AGIS on October 9, 2018 and the First Amended Complaint  
6 filed against Defendant AGIS on December 31, 2018. ZTE hereby alleges as follows:

7 **NATURE OF ACTION**

8 1. This is an action arising under the patent laws of the United States, 35 U.S.C. § 1 et.  
9 seq. and the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, seeking a declaratory judgment of:  
10 (i) non-infringement of the Patents-in-Suit; (ii) unenforceability of certain of the Patents-in-Suit due  
11 to inequitable conduct; and for such other relief as the Court deems just and proper. Additionally,  
12 ZTE further reserves the right to assert invalidity as an affirmative defense if AGIS asserts  
13 infringement.

14 **THE PARTIES**

15 2. Plaintiff ZTE (USA) Inc. is a corporation organized and existing under the laws of the  
16 state of New Jersey, with its principal place of business at 2425 N. Central Expressway, Suite 600,  
17 Richardson, Texas 75080 with an office located at 1900 McCarthy Blvd, Milpitas, California 95035.

18 3. Upon information and belief, Defendant AGIS Software Development LLC is a  
19 limited liability company organized and existing under the laws of the State of Texas, and maintains  
20 its principal place of business at 100 W. Houston Street, Marshall, Texas 75670. Upon information  
21 and belief, AGIS Software Development LLC is wholly owned by AGIS Holdings, Inc. Upon  
22 information and belief, AGIS Holdings, Inc. is organized and existing under the laws of the State of  
23 Florida, and maintains its principal place of business at 92 Lighthouse Drive, Jupiter, Florida 33469.  
24 Upon information and belief, Advanced Ground Information Systems, Inc. is organized and existing  
25 under the laws of the State of Florida, and maintains its principal place of business at 92 Lighthouse  
26 Drive, Jupiter, Florida 33469.

27 **JURISDICTION AND VENUE**

28 4. This Court has exclusive subject matter jurisdiction over this action pursuant to

1 federal question jurisdiction, 28 U.S.C. §§ 1331 and 1338(a), the Declaratory Judgment Act, 28  
2 U.S.C. §§ 2201-2202, and the Patent Laws of the United States, 35 U.S.C. § 1 et seq.

3 5. An actual and justiciable controversy exists between ZTE and AGIS as to the alleged  
4 infringement and enforceability of the claims of the Patents-in-Suit.

5 6. This Court has subject matter jurisdiction over this action based on a real and  
6 immediate controversy between ZTE and AGIS regarding whether various ZTE's mobile devices  
7 infringe the Patents-in-Suit, which AGIS purports to own, whether those AGIS patents are  
8 unenforceable, and whether AGIS is barred from asserting infringement of those patents. As  
9 described in more detail below, this controversy arises out of AGIS's infringement assertions  
10 demands over ZTE's products allegedly "pre-configured or adapted with map-based communication  
11 applications and/or features such as Google Maps, Android Device Manager, Find My Device,  
12 Google Messages, Android Messenger, Google Hangouts, Google Plus, and Google Latitude among  
13 other relevant applications and/or features." *See* Case No. 2:17-cv-00517-JRG (Dkt. No. 32) (E.D.  
14 Tex.); *see also* Dkt. No. 1-1 through 1-5 (Exs. A-E to Complaint (Infringement Contentions)).

15 7. On information and belief, AGIS is subject to this Court's specific and/or general  
16 personal jurisdiction, pursuant to due process and/or the California Long Arm Statute, due at least to  
17 (1) AGIS's activities purposefully directed at residents of this forum, (2) the claims arise out of or  
18 relate to the AGIS's activities with this forum, and (3) the assertion of personal jurisdiction is  
19 reasonable and fair.

20 8. On information and belief, AGIS asserted one or more of the Patents-in-Suit against  
21 Apple Inc. in *AGIS Software Development LLC v. Apple, Inc.*, Case No. 2:17-cv-00516-JRG (E.D.  
22 Tex.). Additionally, on information and belief, Apple Inc. is a California incorporated company and  
23 AGIS conducted meaningful enforcement activities in California. On information and belief, AGIS  
24 retained counsel in California, traveled there, and deposed witnesses there.

25 9. On information and belief, AGIS asserted one or more patents related to the Patents-  
26 in-Suit against Life360, Inc. in *Advanced Ground Information Systems, Inc. v. Life360, Inc.*, Case  
27 No. 9:14-cv-80651-DMM (S.D. Fla.). Additionally, on information and belief, Life360 Inc. is a  
28 California incorporated company and AGIS conducted meaningful enforcement activities in

1 California. On information and belief, AGIS retained counsel in California, traveled there, and  
2 deposited witnesses there.

3 10. On information and belief, AGIS asserted one or more patents against ZTE (USA),  
4 Inc. and ZTE (USA), Inc.'s sister company ZTE (TX) Inc. in *AGIS Software Development LLC v.*  
5 *ZTE Corp. et al.*, Case No. 2:17-cv-00517-JRG (E.D. Tex.) (the "Former Case"). Additionally, ZTE  
6 (TX) Inc.'s primary place of business is in California and AGIS conducted meaningful enforcement  
7 activities in California. For example, AGIS retained counsel in California, traveled there, and  
8 deposited witnesses there including at least a 30(b)(6) deposition of ZTE (USA), Inc. in Redwood  
9 Shores, California.

10 11. On information and belief, twenty days before bringing an action against ZTE TX  
11 Inc. in the Eastern District of Texas, AGIS Holdings, Inc. formed and incorporated Defendant AGIS  
12 Software Development LLC in Texas. Of note, only two months prior, the sister company of AGIS  
13 Software Development LLC, Advanced Ground Information Systems, Inc., was litigating in the  
14 Southern District of Florida with patents from the same family as the Patents-in-Suit. Once the  
15 Florida matter was resolved, in a loss (with non-infringement and attorneys' fees awarded against  
16 AGIS for almost \$750,000 due to litigating "an exceptionally weak case"), AGIS then sought a new  
17 district. *See Advanced Ground Information Systems, Inc. v. Life360, Inc.* Case No. 14-cv-80651  
18 (Dkt. No. 200) (S.D. Fla.) ("While I stop short of finding of bad faith, . . . these claims seemed  
19 designed to extract settlement not based upon the merits of the claim but on the high cost of  
20 litigation.").

21 12. On information and belief, on June 21, 2017, AGIS filed the original Complaint (Dkt.  
22 No. 1 in 2:17-cv-00517) in the Former Case in the Eastern District of Texas, asserting four patents  
23 against ZTE (TX), Inc. and ZTE Corporation. On September 26, 2017, ZTE (TX) filed a Motion to  
24 Dismiss AGIS's original Complaint for (1) failure to state a claim and (2) improper venue under 28  
25 U.S.C. § 1400, or in the alternative, to transfer under § 1404. Case No. 2:17-cv-00517-JRG, Dkt. No.  
26 28 (E.D. Tex.). Rather than responding to ZTE (TX) Inc.'s motion, AGIS took advantage of Federal  
27 Rule of Civil Procedure 15(a)(1)(B) and amended its Complaint, without leave of Court, on October  
28 17, 2017 (the "Amended Complaint"). Case No. 2:17-cv-00517-JRG, Dkt. No. 32 (E.D. Tex.). In the

1 Amended Complaint, which allowed AGIS to avoid responding to ZTE (TX) Inc.’s motion, AGIS  
2 added new legal theories of infringement, including a fifth patent, and added theories against the  
3 newly-added ZTE defendant, ZTE (USA), Inc.

4 13. On information and belief, on November 21, 2017, ZTE moved to dismiss AGIS’s  
5 Amended Complaint under § 1400, or in the alternative, to transfer for convenience to the Northern  
6 District of California under § 1404. *See* Case No. 2:17-cv-00517-JRG, Dkt. No. 38 (E.D. Tex.). In  
7 response, not only did AGIS contest that venue was proper for ZTE (USA), Inc., but AGIS also  
8 dismissed the relevance, location, and convenience of non-party Google in the Northern District of  
9 California. Case No. 2:17-cv-00517-JRG, Dkt. No. 46 at 2, 24 (E.D. Tex.). AGIS eventually  
10 admitted Google’s importance in these matters when they subpoenaed Google, indicating that  
11 Google possesses relevant documents in the Northern District of California. *See* Case No. 2:17-cv-  
12 00517-JRG, Dkt. No. 85 at 7 (E.D. Tex.). On September 28, 2018, the Eastern District of Texas  
13 court found that “AGIS [] failed to meet its burden” and found that venue is improper as to ZTE  
14 (USA), Inc. in the Eastern District of Texas. *Id.* at 5-7. Rather than dismissing this case under  
15 § 1400, the Eastern District of Texas transferred the Former Case to the Northern District of  
16 California under § 1406. *Id.* The court specifically found that “[a] transfer, rather than dismissal, is  
17 also appropriate where the plaintiff is certain to ‘almost immediately’ refile the action in the proper  
18 venue and, as here, ‘discovery has already begun’ and the Parties have ‘already invested a  
19 considerable amount of time and money’ in the case.” *Id.* at 7. Additionally, in transferring to the  
20 Northern District of California and not another district, the court noted (A) that AGIS never  
21 proposed an alternative district to which this case should be transferred; and (B) that “transfer to the  
22 Northern District of California serves the interests of justice.” *Id.* (citing AGIS’s service of  
23 subpoenas on Google in the Northern District of California).

24 14. On information and belief, AGIS circumvented the Eastern District of Texas’s  
25 transfer order (Case No. 2:17-cv-00517-JRG, Dkt. No. 85 (E.D. Tex.)) to the Northern District of  
26 California by filing a Notice of Voluntary Dismissal without Prejudice (Case No. 2:17-cv-00517-  
27 JRG, Dkt. No. 86 (E.D. Tex.)).

28 15. On information and belief, in four actions against Android device manufactures HTC

1 Corporation (2:17-cv-00514), Huawei Device USA Inc. et al. (2:17-cv-00513), LG Electronics, Inc.  
2 (2:17-cv-00515), and ZTE (USA), Inc. et al. (2:17-cv-00517), all in the Eastern District of Texas,  
3 AGIS asserted infringement contentions relying nearly exclusively on Android and Google  
4 application functionalities. Additionally, AGIS served several subpoenas on Google in the Northern  
5 District of California seeking information and proprietary information relating to Google Maps, Find  
6 My Device, and Device Manager. *See* Dkt. No. 1-6 (Ex. F to Complaint).

7 16. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) because this is the  
8 district in which a substantial part of the events and allegations giving rise to the claims occurred, or  
9 a substantial part of property that is subject to this action is situated. *See* paragraphs 4 through 16.

## 10 **FACTUAL BACKGROUND**

### 11 **The Patents-in-Suit**

12 17. U.S. Patent No. 8,213,970 (the “’970 patent”) is entitled, “Method of Utilizing Forced  
13 Alerts for Interactive Remote Communications” and, on its face, indicates an issue date of July 3,  
14 2012. A copy of the ’970 patent is attached as Ex. G (Dkt. No. 1-7) to the Complaint. Upon  
15 information and belief, AGIS has a direct or indirect ownership interest in the ’970 patent.

16 18. U.S. Patent No. 9,408,055 (the “’055 patent”) is entitled, “Method to Provide Ad Hoc  
17 and Password Protected Digital and Voice Networks” and, on its face, indicates an issue date of  
18 August, 2, 2016. A copy of the ’055 patent is attached as Ex. H (Dkt. No. 1-8) to the Complaint.  
19 Upon information and belief, AGIS has a direct or indirect ownership interest in the ’055 patent.

20 19. U.S. Patent No. 9,445,251 (the “’251 patent”) is entitled, “Method to Provide Ad Hoc  
21 and Password Protected Digital and Voice Networks” and, on its face, indicates an issue date of  
22 September 13, 2016. A copy of the ’251 patent is attached as Ex. I (Dkt. No. 1-9) to the Complaint.  
23 Upon information and belief, AGIS has a direct or indirect ownership interest in the ’251 patent.

24 20. U.S. Patent No. 9,467,838 (the “’838 patent”) is entitled, “Method to Provide Ad Hoc  
25 and Password Protected Digital and Voice Networks” and, on its face, indicates an issue date of  
26 October 11, 2016. A copy of the ’838 patent is attached as Ex. J (Dkt. No. 1-10) to the Complaint.  
27 Upon information and belief, AGIS has a direct or indirect ownership interest in the ’838 patent.

28 21. U.S. Patent No. 9,749,829 (the “’829 patent”) is entitled, “Method to Provide Ad Hoc

1 and Password Protected Digital and Voice Networks” and, on its face, indicates an issue date of  
2 August 29, 2017. A copy of the ’829 patent is attached as Ex. K (Dkt. No. 1-11) to the Complaint.  
3 Upon information and belief, AGIS has a direct or indirect ownership interest in the ’829 patent.

#### 4 **AGIS’s Allegations**

5 22. AGIS’s Amended Complaint in the Eastern District of Texas alleges, at paragraph 21  
6 that “Non-party Google, Inc. (‘Google’) licenses the Android operating system to third parties,  
7 including Defendants [ZTE], who design their own products that utilize the Android operating  
8 system. The Android operating system is the most widely used in smartphones and other mobile  
9 devices.” Dkt. No. 1-12 (Ex. L to Complaint) at ¶ 21.

10 23. AGIS’s Amended Complaint alleges, at paragraph 22 that “Defendants manufacture,  
11 use, sell, offer for sale, and/or import into the United States electronic devices, such as Android  
12 based smartphones and tablets (including but not limited to the Tempo, Axon 7, Axon 7 mini, Blade  
13 V8 Pro, ZMax Pro, and ZMax 2) (collectively, the ‘Accused Devices’), all of which are pre-  
14 configured or adapted with map-based communication applications and/or features such as Google  
15 Maps, Android Device Manager, Find My Device, Google Messages, Android Messenger, Google  
16 Hangouts, Google Plus, and Google Latitude, among other relevant applications and/or features. The  
17 Accused Devices include software, including but not limited to the above-listed applications and/or  
18 features as components of their operating systems. The Accused Devices include functionality that  
19 allows users to form groups with other users such that users may view each other’s locations on a  
20 map and engage in communication including text, voice, and multimedia-based communication.  
21 Additionally, the users may form groups that include their own devices in order to track their own  
22 lost or stolen devices as shown below.” *Id.* at ¶ 22.

23 24. AGIS’s Amended Complaint alleges, at paragraphs 23 through 31 that ZTE infringes  
24 the ’970 Patent. *Id.* at ¶¶ 23-31.

25 25. AGIS’s Amended Complaint alleges, at paragraphs 32 through 44 that ZTE infringes  
26 the ’055 Patent. *Id.* at ¶¶ 32-44.

27 26. AGIS’s Amended Complaint alleges, at paragraphs 45 through 57 that ZTE infringes  
28



1 the '251 Patent. *Id.* at ¶¶ 45-57.

2 27. AGIS's Amended Complaint alleges, at paragraphs 58 through 70 that ZTE infringes  
3 the '838 Patent. *Id.* at ¶¶ 58-70.

4 28. AGIS's Amended Complaint alleges, at paragraphs 71 through 83 that ZTE infringes  
5 the '829 Patent. *Id.* at ¶¶ 71-83.

6 29. AGIS's Amended Complaint is a clear and unmistakable threat of litigation against  
7 ZTE.

### 8 Proceedings

9 30. On June 21, 2017, AGIS asserted one or more patents against ZTE (USA), Inc. and  
10 ZTE (USA), Inc.'s sister company ZTE (TX) Inc. in the Former Case. *See AGIS Software*  
11 *Development LLC v. ZTE Corp. et al.*, Case No. 2:17-cv-00517-JRG (E.D. Tex.). On November 21,  
12 2017, ZTE moved to dismiss AGIS's Amended Complaint under § 1400, or in the alternative, to  
13 transfer for convenience to the Northern District of California under § 1404. *See* Case No. 2:17-cv-  
14 00517-JRG, Dkt. No. 38 (E.D. Tex.). On September 28, 2018, the Eastern District of Texas found  
15 that "AGIS [] failed to meet its burden" and found that venue is improper as to ZTE (USA), Inc. in  
16 the Eastern District of Texas. Case No. 2:17-cv-00517-JRG, Dkt. No. 85 at 5-7 (E.D. Tex.). Rather  
17 than dismissing this case under § 1400, the Eastern District of Texas transferred the Former Case to  
18 the Northern District of California under § 1406. *Id.*

19 31. On information and belief, AGIS circumvented the Eastern District of Texas's  
20 transfer order (Case No. 2:17-cv-00517-JRG, Dkt. No. 85 (E.D. Tex.)) to the Northern District of  
21 California by filing a Notice of Voluntary Dismissal without Prejudice (Case No. 2:17-cv-00517-  
22 JRG, Dkt. No. 86 (E.D. Tex.)) on October 8, 2018. The next day, the Former Case was dismissed  
23 and ZTE (USA), Inc. filed this declaratory judgment action in the Northern District of California.

24 32. ZTE filed its First Amended Complaint on December 31, 2018 under FRCP 15(a)(2)<sup>1</sup>  
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26  
27 <sup>1</sup> ZTE now files its Second Amended Complaint, as an amendment filed as a matter of course  
28 under FRCP 15(a)(1), and pursuant to this Court's Order, Dkt. 25, setting a deadline for amending  
pleadings of March 15, 2019. *See Ramirez v. County of San Bernardino*, 806 F.3d 1002 (9th Cir.  
2015).



1 with AGIS's consent to remove AGIS, Inc. and AGIS Holdings as defendants. Additionally, ZTE  
2 further filed motions under 35 U.S.C. § 315(c) requesting joinder of instituted IPR petitions  
3 IPR2018-00819, IPR2018-01080, and IPR2018-01079, challenging the '838, '055, and '970 patents  
4 respectively. These joinder motions are proper under § 315(c), but to further eliminate any doubt, in  
5 this Second Amended Complaint, ZTE removes the invalidity claims.

6 **COUNT I**  
7 **(Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,213,970)**

8 33. ZTE incorporates by reference the allegations in Paragraphs 1 through 32 above as  
9 though fully set forth herein.

10 34. An actual and justiciable controversy exists between ZTE and AGIS concerning the  
11 non-infringement of the '970 patent.

12 35. ZTE's products, including at least the Accused Devices in the Former Case, have not  
13 infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '970  
14 patent, either literally or under the doctrine of equivalents.

15 36. ZTE is entitled to a judgment from this Court that ZTE has not infringed, and does  
16 not infringe, any valid and enforceable claim of the '970 patent.

17 **COUNT II**  
18 **(Declaratory Judgment of Non-Infringement of U.S. Patent No. 9,408,055)**

19 37. ZTE incorporates by reference the allegations in Paragraphs 1 through 32 above as  
20 though fully set forth herein.

21 38. An actual and justiciable controversy exists between ZTE and AGIS concerning the  
22 non-infringement of the '055 patent.

23 39. ZTE products, including at least the Accused Devices, have not infringed, and do not  
24 infringe, directly or indirectly, any valid and enforceable claim of the '055 patent, either literally or  
25 under the doctrine of equivalents.

26 40. ZTE is entitled to a judgment from this Court that ZTE has not infringed, and does  
27 not infringe, any valid and enforceable claim of the '055 patent.

28

**COUNT III**

**(Declaratory Judgment of Non-Infringement of U.S. Patent No. 9,445,251)**

41. ZTE incorporates by reference the allegations in Paragraphs 1 through 32 above as though fully set forth herein.

42. An actual and justiciable controversy exists between ZTE and AGIS concerning the non-infringement of the '251 patent.

43. ZTE products, including at least the Accused Devices, have not infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '251 patent, either literally or under the doctrine of equivalents.

44. ZTE is entitled to a judgment from this Court that ZTE has not infringed, and does not infringe, any valid and enforceable claim of the '251 patent.

**COUNT IV**

**(Declaratory Judgment of Non-Infringement of U.S. Patent No. 9,467,838)**

45. ZTE incorporates by reference the allegations in Paragraphs 1 through 32 above as though fully set forth herein.

46. An actual and justiciable controversy exists between ZTE and AGIS concerning the non-infringement of the '838 patent.

47. ZTE products, including at least the Accused Devices, have not infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '838 patent, either literally or under the doctrine of equivalents.

48. ZTE is entitled to a judgment from this Court that ZTE has not infringed, and does not infringe, any valid and enforceable claim of the '838 patent.

**COUNT V**

**(Declaratory Judgment of Non-Infringement of U.S. Patent No. 9,749,829)**

49. ZTE incorporates by reference the allegations in Paragraphs 1 through 32 above as though fully set forth herein.

50. An actual and justiciable controversy exists between ZTE and AGIS concerning the non-infringement of the '829 patent.



1           Priority Claims

2           57.     The '838 patent issued from U.S. Application No. 14/529,978 (the "'978  
3 Application"). The '978 Application was filed on October 31, 2014. The '978 Application claimed  
4 the benefit of priority, through a chain of applications, of U.S. Application No. 10/711,490 (the  
5 "'490 Application"), which was filed on September 21, 2004, and later issued as U.S. Patent No.  
6 7,031,728 (the "'728 patent").

7           58.     The '251 patent issued from U.S. Application No. 14/633,804 (the "'804  
8 Application"). The '804 Application was filed on February 27, 2015. The '804 Application claimed  
9 the benefit of priority of the '978 Application and also claimed the benefit of priority, through a  
10 chain of applications, of the '490 Application.

11          59.     The '829 patent issued from U.S. Application No. 14/633,764 (the "'764  
12 Application"). The '764 Application was filed on February 27, 2015. The '764 Application claimed  
13 the benefit of priority of the '978 Application and also claimed the benefit of priority, through a  
14 chain of applications, of the '490 Application.

15          60.     The '055 patent issued from U.S. Application No. 14/695,233 (the "'233  
16 Application"). The '233 Application was filed on April 24, 2015. The '233 Application claimed the  
17 benefit of priority of the '978 Application and also claimed the benefit of priority, through a chain of  
18 applications, of the '490 Application.

19           Prosecution of the '978 Application Leading to Issuance of the '838 Patent

20          61.     During prosecution of the '978 Application, the applicant submitted a corrected  
21 application data sheet (the "June 8 Corrected ADS") on June 8, 2015. The June 8 Corrected ADS  
22 claimed that the '978 Application was subject to the pre-AIA, first-to-invent provisions of the patent  
23 laws. In particular, the June 8 Corrected ADS stated that the '978 Application *did not* (1) claim  
24 priority to or the benefit of an application filed before March 16, 2013 and (2) also contain, or  
25 contained at any time, a claim to a claimed invention that has an effective filing date on or after  
26 March 16, 2013. The June 8 Corrected ADS was signed by prosecuting attorney Daniel J. Burns.

27          62.     On August 19, 2015, the Patent Office issued a final rejection (the "August 19  
28 Rejection") of the '978 Application. The August 19 Rejection included, among other rejections, a

1 rejection under 35 U.S.C. § 112 for claiming “subject matter which was not described in the  
2 specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor  
3 or a joint inventor, or for pre-AIA the inventor(s), at the time the application was filed, had  
4 possession of the claimed invention.” The Examiner explained that “[u]pon further review of the  
5 Applicant’s original specification of file, [certain claim limitations] were not mentioned,  
6 inconsistent, and/or not clearly described so as to be readily understood by one of ordinary skill in  
7 the art.” As a result, the Examiner explained, “the introduction of the newly amended limitations that  
8 were not supported and/or clearly described by the specification raises the issue of new matter.”

9         63.       The applicant submitted a second corrected application data sheet (the “October 30  
10 Corrected ADS”) on October 30, 2015 in the ’978 Application. The October 30 Corrected ADS  
11 claimed that the ’978 Application was subject to the post-AIA, first-to-file provisions of the patent  
12 laws. In particular, the October 30 Corrected ADS stated that the ’978 Application *did* (1) claim  
13 priority to or the benefit of an application filed before March 16, 2013 and (2) also contain, or  
14 contained at any time, a claim to a claimed invention that has an effective filing date on or after  
15 March 16, 2013. The October 30 Corrected ADS was signed by Mr. Burns.

16         64.       The applicant submitted a reply to the August 19 Rejection on December 18, 2015.  
17 The Patent Office then issued a non-final rejection of the ’978 Application on February 2, 2016 (the  
18 “February 2 Rejection”), which stated that the ’978 Application was “being examined under the pre-  
19 AIA first to invent provisions” and included rejections under “pre-AIA 35 U.S.C. 103(a).”

20         65.       The applicant submitted a reply (the “April 25 Reply”) to the February 2 Rejection on  
21 April 25, 2016. In the April 25 Reply, the applicant “respectfully note[d] that the Corrected  
22 Application Data Sheet filed on October 30, 2015, indicates that the ‘application (1) claims priority  
23 to or the benefit of an application filed before March 16, 2013 and (2) also contains, or contained at  
24 any time, a claim to a claimed invention that has an effective filing date on or after march 16,  
25 2013.’” The applicant thus stated that “it is understood that the present application will be examined  
26 under the post-AIA, first-to-file provisions of the patent laws.” The April 25 Reply was signed by  
27 Mr. Burns.

28         66.       The Patent Office issued a final rejection of the ’978 Application on August 4, 2016

1 (the “August 4 Rejection”). The applicant submitted a reply (the “August 12 Reply”) to the August 4  
2 Rejection on August 12, 2016. In the August 12 Reply, the applicant canceled all pending claims and  
3 added eighty-four new claims, which eventually issued as the claims of the ’838 patent. The August  
4 12 Reply was signed by Mr. Burns.

5 Prosecution of the ’804 Application Leading to issuance of the ’251 Patent

6 67. During prosecution of the ’804 Application, the applicant submitted a reply to an  
7 office action on November 13, 2015 (the “November 13 Reply”). In the November 13 Reply, the  
8 applicant included a section titled “Applicability of Post-AIA Provisions of the Patent Laws to the  
9 Present Application.” In that section, the applicant noted that the ’804 Application “claims the  
10 benefit of [the ’978 Application], which contains or contained a claim having an effective filing date  
11 on or after March 16, 2013.” The applicant thus stated that “it is understood that the present  
12 application will be examined under the post-AIA, first-to-file provisions of the patent laws.” The  
13 November 13 Reply was signed by Mr. Burns.

14 68. The applicant submitted another office action reply in the ’804 Application on  
15 January 26, 2016 (the “January 26 Reply”). In the January 26 Reply, the applicant again included a  
16 section titled “Applicability of Post-AIA Provisions of the Patent Laws to the Present Application.”  
17 In that section, the applicant indicated that “[f]or the reasons stated in the [November 13 Reply], it is  
18 understood that the present application will be examined under the post-AIA, first-to-file provisions  
19 of the patent laws.” The January 26 Reply was signed by Mr. Burns.

20 69. The applicant submitted another office action reply in the ’804 Application on June 3,  
21 2016 (the “June 3 Reply”). In the June 3 Reply, the applicant again included a section titled  
22 “Applicability of Post-AIA Provisions of the Patent Laws to the Present Application.” In that  
23 section, the applicant indicated that “[f]or the reasons stated in the [November 13 Reply], it is  
24 understood that the present application will be examined under the post-AIA, first-to-file provisions  
25 of the patent laws.” The June 3 Reply was signed by Mr. Burns.

26 70. Additionally, on October 3, 2018, the USPTO Patent Trial and Appeal Board found  
27 that the “Patent Owner has not established the ’251 patent is entitled to rely on the filing date of the  
28 ’410 Application, September 16, 2013. Accordingly, based on this record, the ’724 patent, which

1 issued on December 8, 2009, qualifies as prior art to the '251 patent under 35 U.S.C. 102(a)(1)." See  
2 IPR2018-00817, Paper No. 9, at 25-26.

3 Prosecution of the '233 Application Leading to Issuance of the '055 Patent

4 71. During prosecution of the '233 Application, the applicant submitted a reply to an  
5 office Action on October 30, 2015 (the "October 30 Reply"). In the October 30 Reply, the applicant  
6 included a section titled "Applicability of Post-AIA Provisions of the Patent Laws to the Present  
7 Application." In that section, the applicant noted that the '233 Application "claims the benefit of [the  
8 '978 Application], which contains or contained a claim having an effective filing date on or after  
9 March 16, 2013." The applicant thus stated that "it is understood that the present application will be  
10 examined under the post-AIA, first-to-file provisions of the patent laws." The October 30 Reply was  
11 signed by Mr. Burns.

12 72. The applicant submitted another office action reply in the '233 Application on  
13 February 26, 2016 (the "February 26 Reply"). In the February 26 Reply, the applicant included a  
14 section titled "Applicability of Post-AIA Provisions of the Patent Laws to the Present Application."  
15 In that section, the applicant indicated that "[f]or the reasons stated in the [October 30 Reply], it is  
16 understood that the present application will be examined under the post-AIA, first-to-file provisions  
17 of the patent laws." The February 26 Reply was signed by Mr. Burns.

18 73. The applicant submitted another office action reply in the '233 Application on May  
19 31, 2016 (the "May 31 Reply"). In the May 31 Reply, the applicant again included a section titled  
20 "Applicability of Post-AIA Provisions of the Patent Laws to the Present Application." In that  
21 section, the applicant indicated that "[f]or the reasons stated in the [October 30 Reply], it is  
22 understood that the present application will be examined under the post-AIA, first-to-file provisions  
23 of the patent laws." The May 31 Reply was signed by Mr. Burns.

24 74. Additionally, on October 3, 2018, the USPTO Patent Trial and Appeal Board found  
25 that the "Patent Owner has not established the '055 patent is entitled to rely on the filing date of the  
26 '410 Application, September 16, 2013. Accordingly, based on this record, the '724 patent, which  
27 issued on December 8, 2009, qualifies as prior art to the '055 patent under 35 U.S.C. 102(a)(1)." See  
28 IPR2018-00818, Paper No. 9, at 22-23.



1           Prosecution of the '764 Application Leading to Issuance of the '829 Patent

2           75.     During prosecution of the '764 Application, the applicant submitted a corrected  
3 application data sheet (the "October 7 Corrected ADS") on October 7, 2015. The October 7  
4 Corrected ADS claimed that the '764 Application was subject to the post-AIA, first-to-file  
5 provisions of the patent laws. In particular, the October 7 Corrected ADS stated that the '764  
6 Application did (1) claim priority to or the benefit of an application filed before March 16, 2013 and  
7 (2) also contain, or contained at any time, a claim to a claimed invention that has an effective filing  
8 date on or after March 16, 2013. The October 7 Corrected ADS was signed by Mr. Burns.

9           76.     The applicant submitted another corrected application data sheet (the "January 20  
10 Corrected ADS") on January 20, 2016. The January 20 Corrected ADS claimed that the '764  
11 Application was subject to the post-AIA, first-to-file provisions of the patent laws. In particular, the  
12 January 20 Corrected ADS stated that the '764 Application did (1) claim priority to or the benefit of  
13 an application filed before March 16, 2013 and (2) also contain, or contained at any time, a claim to  
14 a claimed invention that has an effective filing date on or after March 16, 2013. The January 20  
15 Corrected ADS was signed by Mr. Burns.

16           77.     Plaintiff continually represented to the Patent Office during prosecution that the '978  
17 and '764 Applications claimed priority to or the benefit of an application filed before March 16,  
18 2013, and also contained, or contained at any time, a claim to a claimed invention that has an  
19 effective filing date on or after March 16, 2013. As a result of that representation, Plaintiff also  
20 continually represented to the Patent Office that the '978 Application (issued as the '838 patent), the  
21 '804 Application (issued as the '251 patent), the '233 Application (issued as the '055 patent), and the  
22 '764 Application (issued as the '829 patent) were each subject to the first-to-file, post-AIA  
23 provisions of the patent laws.

24           78.     On information and belief, Plaintiff's litigation positions directly contradict the  
25 repeated statements made during prosecution regarding the applicability of post-AIA, first-to-file  
26 provisions.

27           79.     As one example, in an interrogatory response in co-pending litigation matter (*AGIS*  
28 *Software Development LLC v. Apple, Inc.*, Case No. 2:17-cv-00516-JRG (E.D. Tex.) (Dkt. No. 148

1 in lead case -00513) (the “*Apple* matter”), Plaintiff’s counsel indicated that “AGIS contends that the  
2 asserted claims of the ’251, ’055, ’838, and ’829 Patents are subject to pre-AIA law.” AGIS has also  
3 asserted in the same response that “[t]he ’251, ’055, ’838, and ’829 Patents and their respective  
4 applications do not contain, and did not contain at any time, a claim to a claimed invention having an  
5 effective filing date on or after March 16, 2013.”

6 80. As another example, in response to a request for admission in the co-pending *Apple*  
7 matter, AGIS’s counsel has denied “that U.S. Patent Application No. 14/529,978 claims priority to  
8 or the benefit of an application filed before March 16, 2013, and also contains, or contained at any  
9 time, a claim to a claimed invention that has an effective filing date on or after March 16, 2013.”

10 81. As another example, in response to a request for admission in the co-pending *Apple*  
11 matter, AGIS’s counsel has denied “that the post-AIA, first-to-file provisions of the U.S. patent laws  
12 apply to each of U.S. Patent Nos. 9,408,055; 9,445,251; 9,467,838; and 9,749,829.”

13 82. As explained in the foregoing paragraphs, AGIS’s contentions that pre-AIA, first-to-  
14 invent provisions of the U.S. patent laws apply to the ’838 patent, ’251 patent, ’055 patent, and ’829  
15 patent are repeatedly contradicted by the file histories of the applications that led to those patents,  
16 and thus AGIS’s contentions are improper. If not corrected, those contentions would avail AGIS of  
17 the ability to swear behind certain prior art under the first-to-invent provisions of the law. AGIS’s  
18 contradictory contentions are an attempt to improperly enhance AGIS’s position with regards to  
19 invalidity in this case. AGIS thus comes to this case with unclean hands and is barred from receiving  
20 the relief requested in the Amended Complaint.

### 21 **PRAYER FOR RELIEF**

22 WHEREFORE, ZTE prays for the following judgment and relief:

23 A. A declaration that ZTE has not infringed, and does not infringe, either directly or  
24 indirectly, any valid and enforceable claim of the Patents-in-Suit, either literally or under the  
25 doctrine of equivalents;

26 B. A declaration that the Patents-in-Suit are unenforceable;

27 C. A declaration that AGIS is barred from asserting infringement against ZTE with  
28 respect to the Patents-in-Suit due to inequitable conduct by AGIS.

1 D. An order declaring that ZTE is the prevailing party and that this case is an exceptional  
2 case under 35 U.S.C. § 285, and awarding ZTE its costs, expenses, and reasonable attorneys' fees  
3 under 35 U.S.C. § 285 and all other applicable statutes, rules and common law, including this  
4 Court's inherent authority; and

5 E. Any other equitable and/or legal relief that this Court may deem just and proper.

6 **DEMAND FOR JURY TRIAL**

7 In accordance with Federal Rule of Civil Procedure 38(b), ZTE demands a trial by jury on all  
8 issues so triable.

9  
10 Dated: February 5, 2019

11 FINNEGAN, HENDERSON, FARABOW,  
12 GARRETT & DUNNER, LLP

13  
14 By: /s/ Michael Liu Su

15 Michael Liu Su  
16 Attorney for Plaintiff  
17 ZTE (USA) Inc.