

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS**

SHERMAN DIVISION

INNOVATION SCIENCES, LLC,

Plaintiff,

v.

HTC CORPORATION,

Defendant.

Civil Action No. 4:19-cv-770

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Innovation Sciences, LLC (“Innovation” or “Plaintiff”), for its Complaint against Defendant HTC Corporation (“HTC” or “Defendant”), alleges the following:

NATURE OF THE ACTION

1. This is an action for patent infringement arising under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*

THE PARTIES

2. Plaintiff is a corporation organized under the laws of the State of Texas with a place of business at 5800 Legacy Circle, Suite 311, Plano, Texas 75024.

3. Upon information and belief, Defendant HTC is a foreign company organized and existing under the laws of Taiwan, with its principal place of business at 23 Xinghua Road, Taoyuan City, Taoyuan County 330, Taiwan, and can be served at that address. Upon information and belief, HTC sells and offers to sell products and services throughout the United States, including in this judicial district, and introduces products and services into the stream of

commerce and that incorporate infringing technology knowing that they would be sold in this judicial district and elsewhere in the United States.

JURISDICTION AND VENUE

4. This is an action for patent infringement arising under the Patent Laws of the United States, Title 35 of the United States Code.

5. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1400(b). HTC is a foreign corporation and may be sued in this judicial district. Venue is further proper because, upon information and belief, HTC has committed acts of infringement in this judicial district, and/or has purposely transacted business involving the accused products in this judicial district.

7. On information and belief, Defendant is subject to this Court's general and specific personal jurisdiction because it has sufficient minimum contacts within the State of Texas and this District, pursuant to due process and/or the Texas Long Arm Statute because Defendant purposefully availed itself of the privileges of conducting business in the State of Texas and in this District, because Defendant regularly conducts and solicits business within the State of Texas and within this District, and because Plaintiff's causes of action arise directly from each of Defendant's business contacts and other activities in the State of Texas and this District.

COUNT I – INFRINGEMENT OF U.S. PATENT NO. 10,368,125

8. The allegations set forth in the foregoing paragraphs 1 through 7 are incorporated into this First Claim for Relief.

9. On July 30, 2019, U.S. Patent No. 10,368,125 ("the '125 Patent"), entitled "METHOD AND SYSTEM FOR EFFICIENT COMMUNICATION," was duly and legally

issued by the United States Patent and Trademark Office. A true and correct copy of the '125 Patent is attached as Exhibit 1.

10. The inventions of the '125 Patent provide for efficient communications and resolve technical problems related to the use of a multi-function wireless hub for information processing. For example, the '125 Patent overcomes limitations in the prior art relating to efficiently delivering multimedia information content received over a wireless communication network. Furthermore, the '125 Patent overcomes limitations in the prior art relating to providing alerts as to the status of an item over the internet or other next-generation wireless communication network.

11. The inventions allow a user to efficiently set up a system comprising a hub configured to receive and convert wireless signals, as well as to communicate information concerning status updates for associated devices via multiple channels.

12. The claims of the '125 Patent recite an invention that is not merely the routine or conventional use of a wireless hub system. Instead, the invention integrates multiple wireless communications via cloud computing and management. For example, this invention uses WiFi and cellular networks and separate short range wireless channels to communicate information regarding the status of office/home devices.

13. The technology claimed in the '125 Patent does not preempt all ways of using wireless hub based decoding or monitoring systems, nor preempt the use of all wireless hub based decoding or monitoring systems, nor preempt any other well-known or prior art technology.

14. Accordingly, each claim of the '125 Patent recites a combination of elements sufficient to ensure that the claim in practice amounts to significantly more than a patent on an ineligible concept.

15. Plaintiff is the assignee and owner of the right, title and interest in and to the '125 Patent, including the right to assert all causes of action arising under said patents and the right to any remedies for infringement of them.

16. Upon information and belief, Defendant has and continues to directly infringe at least claims 1 and/or 47 of the '125 Patent by making, using, offering to sell, selling, importing and/or providing and causing to be used in the United States a wireless hub system, including but not limited to all HTC smart phones e.g. U11, U11 life, U12+, the Pixel 2 phone, Exodus 1 phone, HTC 5G Hub (alone and in cooperation with Amazon Alexa or Google Home and cloud services such as Amazon Drive or Google cloud). The "Accused Instrumentalities" include all current and future HTC products, systems, and/or devices which operate in substantially similar fashion so as to infringe one or more claims of the '125 Patent.

17. By way of example, claim 47 of the '125 Patent recites an intelligent wireless hub system having a device identifier, configured to receive a wireless signal through a local area network communication channel. The claimed hub system converts the compressed wireless signal by decompression to produce corresponding information content. The wireless hub system is further configured to communicate information regarding the status of an item in connection with a separate short range communication.

18. The Accused Instrumentalities infringe claim 47 of the '125 Patent, because each of the Accused Instrumentalities acts as an intelligent wireless hub system configured to receive, through a wireless network communication channel and via a network interface, a wireless signal, decompress the signal with a decoder, and convert it for production of corresponding information content. The Accused Instrumentalities are further configured to communicate

information regarding an updated status of a device based on a short range communication initiated by a sensing device associated with the device.

19. The Accused Instrumentalities each include a network interface configured to receive compressed wireless signals via a network communication channel. For example, the Accused Instrumentalities can receive a wireless signal through a Wireless Local Area Network (WLAN) or Wi-Fi network, or a cellular network.

20. The Accused Instrumentalities each have a decoder. For example, the processors used in the Accused '125 Instrumentalities have codecs used to decode video and audio signals.

21. The Accused Instrumentalities support different compressed video and audio formats that are decompressed by the codecs included in the processors for the Accused Instrumentalities. Examples of compressed audio file formats that can be handled by the Accused Instrumentalities include one or more of .3gp, .mp4, .m4a, .aac, .ts., .flac, .mp3, .mid, .ogg, .mkv, .wav, and .amr.

22. Examples of compressed video file formats that can be handled by the Accused Instrumentalities include one or more of .3gp, .mp4, .m4a, .aac, and .ts.

23. The Accused Instrumentalities each have a network interface configured to provide a communication through a network communication channel. For example, each of the Accused Instrumentalities can provide a communication through a communication channel established on a Wi-Fi or cellular network.

24. Each of the Accused Instrumentalities are further configured to communicate, via the network communication channel, information regarding an updated status about a home or office device, based on a short range wireless communication (via, for example, Zigbee or Z-Wave channel) initiated by a sensing device associated with such home or office device. For

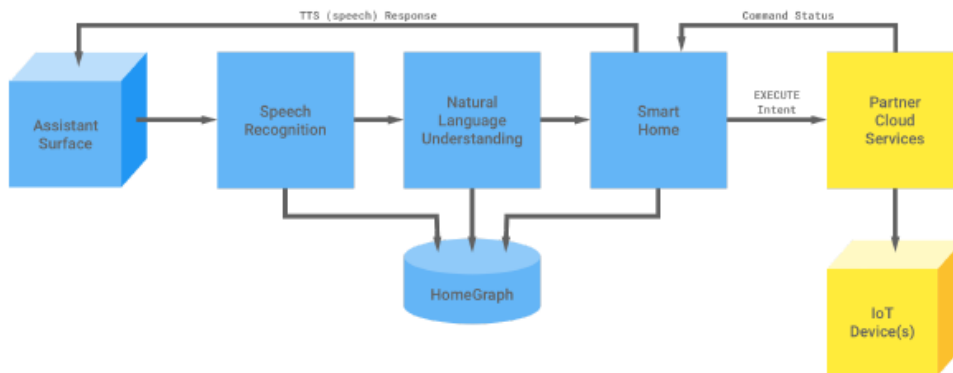
example, each of the Accused Instrumentalities, using the Amazon Alexa/Google Assistant that comes with it, can control, monitor, or otherwise manage a status of an item, such as a smart home device. In order to control or monitor a status of an item, the Accused Instrumentalities are configured to communicate information (for example) through a communication channel established on a Wi-Fi connection.

25. By way of further example, using Google Assistant, the Accused Instrumentalities can receive a voice command from a user to control a smart home device. The Accused Instrumentalities convert the voice command into digital information reflective of the command, which is then sent over Wi-Fi by the Accused Instrumentalities to the Google Assistant cloud. The Google Assistant cloud, in turn, uses the information from the Accused Instrumentalities to compose a message known as an “Intent”. The Intent is sent to the smart device management cloud, which in turn tells a hub/bridge in the user’s home to control the smart home device to effectuate the action indicated by the voice command.

EXECUTE

The **action.devices.EXECUTE** intent is used to provide commands to execute on smart home devices.

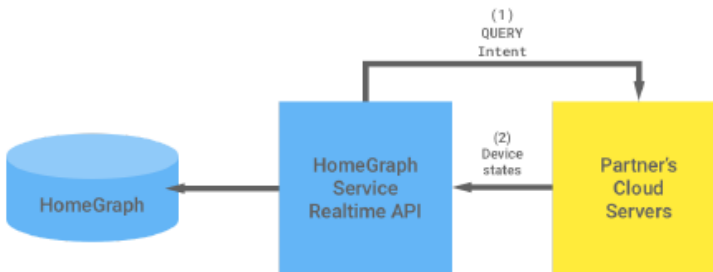
When users send commands to devices with the Google Assistant, your fulfillment receives a **action.devices.EXECUTE** intent to your fulfillment that describes the action and the devices to act upon. A user can execute an action on a device with a command such as *Hey Google, turn on my living room lights*.



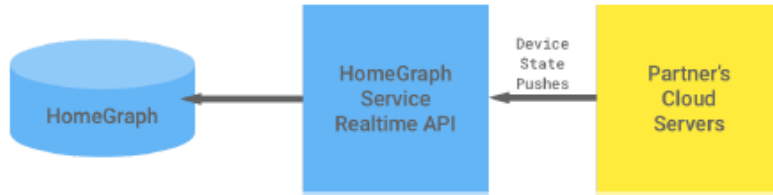
QUERY

The **action.devices.QUERY** intent is used to query the current state of smart home devices.

When users are querying device status, to answer a question such as *Hey Google, what lights are on in the kitchen?*, the Google Assistant sends a **action.devices.QUERY** intent to your fulfillment.



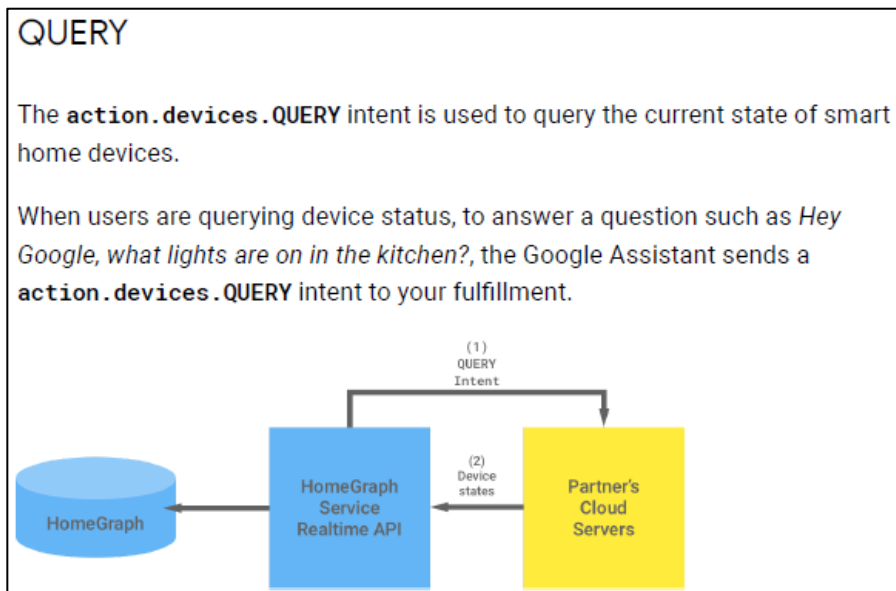
For the best user experience, you should implement Report State (<https://developers.google.com/actions/smarthome/develop/report-state>) to proactively report the current state of a user's devices directly to Home Graph. For example, this lets the Google Assistant know if your user turned on a smart light with a physical light switch.



<https://developers.google.com/actions/smarthome/concepts/intents>

26. An example of an item capable of having its status managed by an Accused Instrumentality is a Philips Hue lightbulb. Using the Google Assistant, the Accused Instrumentalities can receive a voice command from a user instructing the Accused Instrumentality to control a Philips Hue lightbulb. For example, the Accused Instrumentalities can instruct the lightbulb to dim to 50%. The Accused Instrumentalities convert the voice command into digital information reflective of the command to dim the lightbulb to 50%, which is then sent over Wi-Fi by the Accused Instrumentalities to the Google Assistant cloud. The Google Assistant cloud, in turn, uses the information from the Accused Instrumentalities to compose a message known as an “Intent”. The Intent is sent to the smart device management cloud, which in turn tells a Philips Hue Bridge in the user’s home to control the smart home device to effectuate the action indicated by the voice command, in this case dim the lights to 50%. When the Philips Hue lightbulb successfully dims to 50%, it sends a message to the Philips Hue Bridge that the lightbulb was successfully dimmed. Ultimately, the Accused Instrumentalities may receive a message that the lightbulb has now been dimmed to 50% and inform the user via the Google Assistant. When the Accused Instrumentalities receive this message and notify the user, those are examples of communicating information about an updated status of an item.

27. Communicating information about an updated status of an item may occur in response to a query from the user. For example, a user may ask the Google Assistant whether a particular light is on. In response, the device status (*e.g.*, whether the particular light is on) is provided to the user.



28. Alternatively, a signal actively pushed from a smart home device that indicates the device's current status is a communication regarding an updated status of the item (for example, a Philips Hue light bulb indicates that the light has been set to 50%).

For the best user experience, you should implement [Report State](https://developers.google.com/actions/smarthome/develop/report-state) (<https://developers.google.com/actions/smarthome/develop/report-state>) to proactively report the current state of a user's devices directly to Home Graph. For example, this lets the Google Assistant know if your user turned on a smart light with a physical light switch.

<https://developers.google.com/actions/smarthome/concepts/intents>

29. In the alternative, a signal regarding an updated status of the item comprise a command sent from the Accused Instrumentalities to the Google Assistant cloud. The command includes a unique identifier associated with the item being controlled. For example, if a user tells the Google Assistant to dim family room light 2 to 50%, the unique identifier is family room light 2.

30. Furthermore, HTC 5G Hub and HTC smart phones are used as a Wi-Fi hotspot.

Share your data connection with other devices by turning HTC 5G Hub into a Wi-Fi hotspot.

Important:

- Make sure the data connection is turned on.
- You must have an approved data plan associated with your account from your mobile operator to use this service. Devices connected to your Wi-Fi hotspot use data from your subscribed data plan.
- To help minimize security risks, use the default security settings and set a strong, unique password.

1. Press and hold the POWER button, then tap **HTC 5G Hub mode** in the selection menu.

If **Android mode** appears in the menu, it means you're already in **HTC 5G Hub mode**.

2. From the Dashboard, tap **Tap here to set up Wi-Fi HOTSPOT**.

If you see a Wi-Fi network name and password instead of **Tap here to set up Wi-Fi HOTSPOT**, your hotspot is already active. You can tap the dial to change settings or turn it off.

3. You'll see **HTC 5G Hub** as the default hotspot name. Use the default, or tap **Hotspot name** to change it.

4. Tap **Hotspot password** to check the default password. Use the default or change it.

The password will be required for other devices to connect and use HTC 5G Hub as a wireless router.

5. Tap **Advanced > Manage users** to set a limit to the number of users who can connect to your Wi-Fi hotspot.

6. Tap the Wi-Fi hotspot **On/Off** switch to turn it on.

HTC 5G Hub is ready to be used as a Wi-Fi hotspot when you see



on the status bar.

Figure 1 - As visited on October 15, 2019

<https://www.htc.com/us/support/htc-5g-hub-sprint/howto/wi-fi-hotspot.html>

31. On information and belief, the Accused Instrumentalities are used, marketed, provided to, and/or used by or for each of Defendant's partners, clients, customers and end users across the country and in this District.

32. Defendant has had actual notice of the claims of the '125 Patent, and of Plaintiff's theories of infringement thereof, since the date the '125 Patent issued on July 30, 2019. Since at least the date of issuing of the '125 Patent, Defendant has willfully infringing the identified claims of the '125 patent, based on prior litigation and the notice given to Defendant on May 6, 2019 in a letter to HTC's counsel disclosing the impending issuance and attaching the notice of allowance containing the patent claims. See Exhibit 2.

33. The Accused Instrumentalities are configured to infringe, and do in fact infringe, at least one claim of the '125 Patent directly, as marketed, used, offered for sale, and/or sold by Defendant in the United States.

34. Additionally and/or in the alternative, and upon information and belief, since at least the time Defendant received notice, Defendant has induced and continues to induce others to infringe at least one claim of the '125 Patent under 35 U.S.C. § 271(b) by, among other things, and with specific intent or willful blindness, actively aiding and abetting others to infringe, including but not limited to Defendant's partners, clients, customers, and end users, whose configuration and use of the Accused Instrumentalities constitutes direct infringement of at least one claim of the '125 Patent.

35. In particular, Defendant's actions that aid and abet others such as its partners, customers, clients, and end users to infringe include advertising and distributing the Accused Instrumentalities and providing advertising, instruction materials, training, and services regarding the Accused Instrumentalities. On information and belief, Defendant has engaged in

such actions with specific intent to cause infringement or with willful blindness to the resulting infringement because Defendant has had actual knowledge of the '125 Patent and knowledge that its acts were inducing infringement of the '125 Patent since at least the date Defendant received notice that such activities infringed the '125 Patent.

36. Additionally and/or in the alternative, and upon information and belief, Defendant is liable as a contributory infringer of the '125 Patent under 35 U.S.C. § 271(c) by making, using, offering to sell, selling, and/or importing into the United States the Accused Instrumentalities and components thereof, which are especially made or adapted for use in an infringement of one or more claims of the '125 Patent. The Accused Instrumentalities are a material component for use in practicing one or more claims of the '125 Patent and are specifically made and are not a staple article of commerce suitable for substantial non-infringing use.

37. Since at least the date of service of the Complaint in this matter, Defendant's infringement has been willful.

38. Plaintiff has been harmed, and will continue to suffer harm, by Defendant's infringing activities.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands a trial by jury on all issues triable as such.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment for itself and against Defendant as follows:

- A. An adjudication that Defendant has infringed the '125 Patent;
- B. An award of damages to be paid by Defendant adequate to compensate Plaintiff for Defendant's past infringement of the '125 Patent and any continuing or future infringement

through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;

C. A declaration that this case is exceptional under 35 U.S.C. § 285, and an award of Plaintiff's reasonable attorneys' fees;

D. An award of damages to be paid by Defendant in the form of an ongoing royalty for all infringing manufacture, use, importation, and sale of infringing devices and products following trial in this matter and extending through the date the '125 Patent expires; and

E. An award to Plaintiff of such further relief at law or in equity as the Court deems just and proper.

Dated: October 18, 2019

Respectfully submitted,

/s/ M. Scott Fuller

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