

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

QUEST NETTECH CORPORATION,

Plaintiff,

v.

APPLE INC.,

Defendant.

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Case No. 2:19-cv-00118

JURY TRIAL DEMANDED

PLAINTIFF’S SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff, Quest NetTech Corporation (“NetTech” or “Plaintiff”), files this Second Amended Complaint against Defendant, Apple Inc. (“Apple” or “Defendant”), for patent infringement under 35 U.S.C. § 271 and alleges as follows:

THE PARTIES

1. Plaintiff, NetTech, is a limited liability company organized and existing under the laws of the State of Texas in 2009, and maintains its principal place of business at 100 W. Houston Street, Marshall, Texas 75670. NetTech is the owner of all right, title, and interest in and to U.S. Reissue Patent No. RE 38,137 (the “’137 Patent” or “Patent-in-Suit”), a true and correct copy of which is annexed hereto as Exhibit A.

2. Upon information and belief, Defendant Apple is a California corporation having a principal place of business in Cupertino, California and regular and established places of business at 2601 Preston Road, Frisco, Texas, and 6121 West Park Boulevard, Plano, Texas, as

well as other locations in Texas at the time of the original complaint.¹ Apple offers and sells its products and/or services, including those accused herein of infringement, to customers and potential customers located in Texas, including in the Eastern District of Texas. Apple may be served with process through its registered agent for service in Texas: CT Corporation System, 1999 Bryant Street, Suite 900, Dallas, Texas 75201.

JURISDICTION AND VENUE

3. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1, *et seq.* This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1367.

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1400(b). As of the time of the original complaint, Apple has regular and established places of business in this Judicial District, including in Frisco and Plano, is deemed to reside in this Judicial District, has committed acts of infringement in this Judicial District, and/or has purposely transacted business involving the accused devices in this Judicial District. *See* Exs. B, C.

5. This Court has personal jurisdiction over Apple. Apple conducts business and has committed acts of patent infringement in this Judicial District, the State of Texas, and elsewhere in the United States.

PATENT-IN-SUIT

6. On June 10, 2003, the United States Patent and Trademark Office duly and legally issued the '137 Patent entitled "Programmable Multiple Company Credit Card System." A true and correct copy of the '137 Patent is attached hereto as Exhibit A.

¹ *See* Apple Willow Bend, Apple (Retrieved April 11, 2019), <https://www.apple.com/retail/willowbend> (attached hereto as Exhibit B); Apple Stonebriar, Apple (Retrieved April 11, 2019), <https://www.apple.com/retail/stonebriar> (attached hereto as Exhibit C).

FACTUAL ALLEGATIONS

7. The Patent-in-Suit generally covers a multiple account electronic credit card, comprising a processor, a memory, and an interface for communication with a card reader, also capable of electronically compiling, storing, and retrieving data related to the holder and a plurality of accounts and transactions in real time as transactions occur.

8. Apple manufactures, uses, sells, offers for sale, and/or imports into the United States electronic devices such as, but not limited to the iPhone 6 (hereinafter the “Accused Devices”). The Accused Devices, together with Apple’s software components such as, but not limited to, Apple Pay, iOS 8, iOS 9, and/or iOS 10 are configured to interact with Apple’s servers which provide the Apple Pay service, among other services provided by Apple and utilized by Apple’s customers when operating the Accused Devices.

Apple Pay is compatible with these devices

Learn which iPhone, iPad, Apple Watch, and Mac models are compatible with Apple Pay and where you can use them for your purchases and payments.

iPhone

iPhone models with Face ID

iPhone models with Touch ID, except for iPhone 5s

[Identify your iPhone model](#) to see if it supports Apple Pay.

You can use Apple Pay with a compatible iPhone for purchases and payments:

- In stores¹
- Within apps
- On the web in Safari²
- [Within transit systems](#) in some countries and regions³
- [Person to person](#)⁴
- At some schools [with your student ID](#)⁵
- In [Business Chat](#)⁶

<https://support.apple.com/en-us/HT208531>

Step 1 iPhone 6 Teardown



The graphic features the text "iPhone 6" in a large, bold, black font. Below it is a blue and white logo of a screwdriver and a plus sign, followed by the word "TEARDOWN" in a bold, white, sans-serif font. To the right of the text is a photograph of an iPhone 6 with its home button visible.



iPhone 6 TEARDOWN

- It's iPhone 6 time! Let's check out some tech specs:
 - Apple A8 processor with 64-bit architecture
 - M8 second-generation motion coprocessor
 - 16, 64, or 128 GB onboard storage capacity
 - 4.7-inch 1334x750 pixels (326 ppi) Retina HD display
 - 8 MP iSight camera (with 1.5µ pixels and phase-detection autofocus) and a 1.2 MP FaceTime camera
 - **Touch ID** home button fingerprint sensor, barometer, 3-axis gyro, accelerometer, ambient light sensor
 - 802.11a/b/g/n/ac Wi-Fi + Bluetooth 4.0 + NFC + 20-band LTE

iPhone 6 Teardown, IFIXIT, <https://www.ifixit.com/Teardown/iPhone+6+Teardown/29213> (April 8, 2019).

Apple Pay allows you to pay at the counter with your iPhone 6

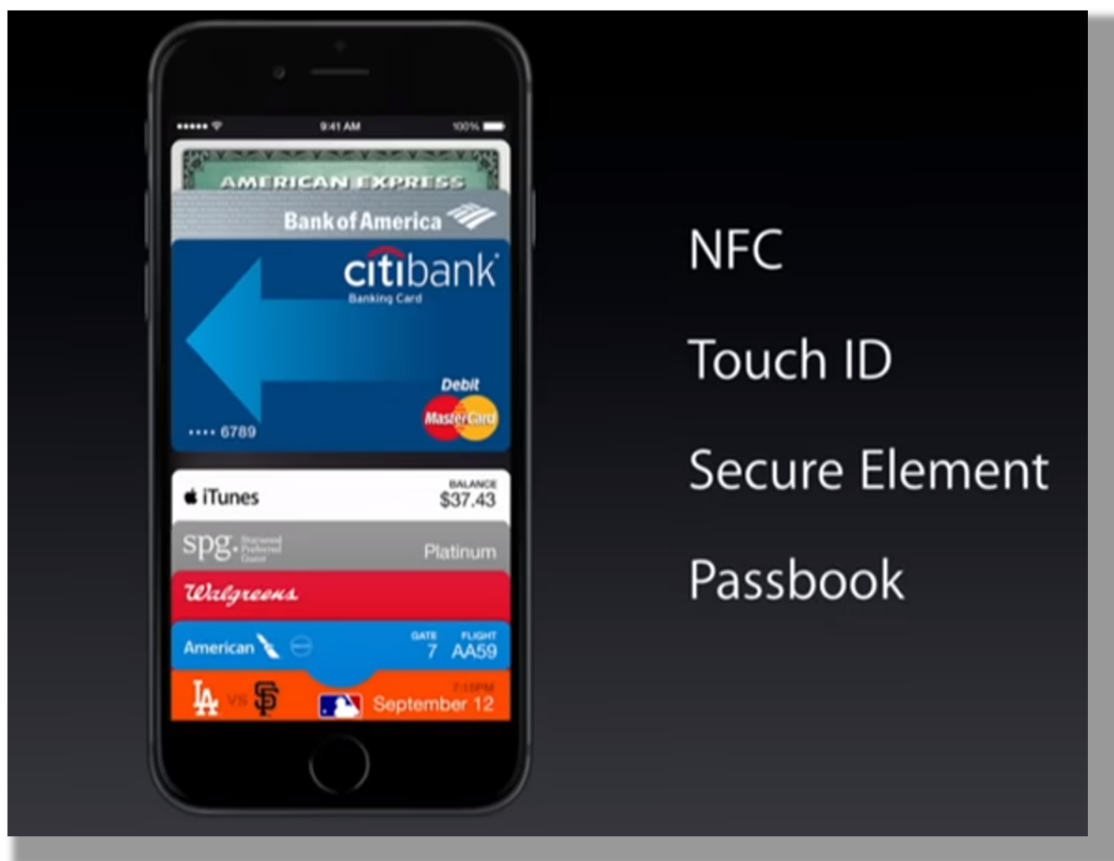
After years of filing patents while publicly deriding NFC, the company is ready to bring the mobile payments tech to the masses

By Adrienne Jeffries | @adrieffries | Sep 9, 2014, 1:49pm EDT
Source Apple

<https://www.theverge.com/2014/9/9/6084211/apple-pay-iphone-6-nfc-mobile-payment>

9. The Accused Devices comprise an electronic credit card for handling multiple accounts comprising, a common processor for controlling operation of the credit card relative to all of the multiple accounts; a memory for storing financial transaction records relative to the multiple accounts, and for storing holder information and secondary account information; and an NFC interface for communication with a card reader. The Accused Devices includes additional

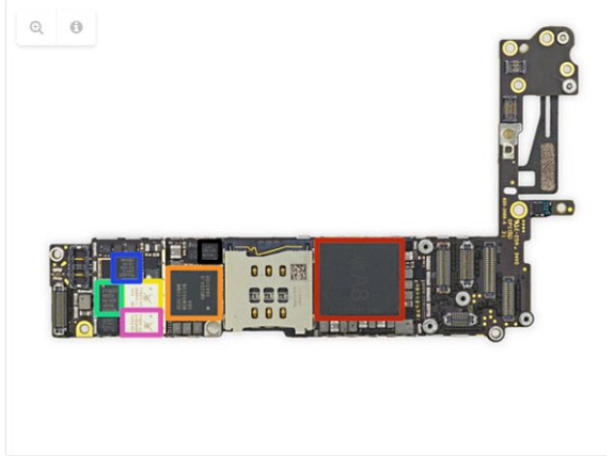
functionalities wherein personal information identifying an authorized person for the electronic credit card and wherein the secondary account information, including credit card issuer information for each of a plurality of accounts, are stored on the memory of the accused device; wherein said memory is of sufficient size to store financial transaction records related to a predetermined time period of use, and Apple Pay, iOS 8, iOS 9, and/or iOS 10 enable transfer of data stored in the memory to a new multiple account electronic credit card; and wherein said common processor is effective for handling the financial transaction records relative to all of the multiple accounts while being able to identify and retrieve information relating to specific accounts in response to operator commands.



Screen Capture from Apple September 9, 2014 Keynote Presentation at 48:25

(<https://www.youtube.com/watch?v=38IqQpwPe7s&t=1s>) (April 8, 2019).

Step 15

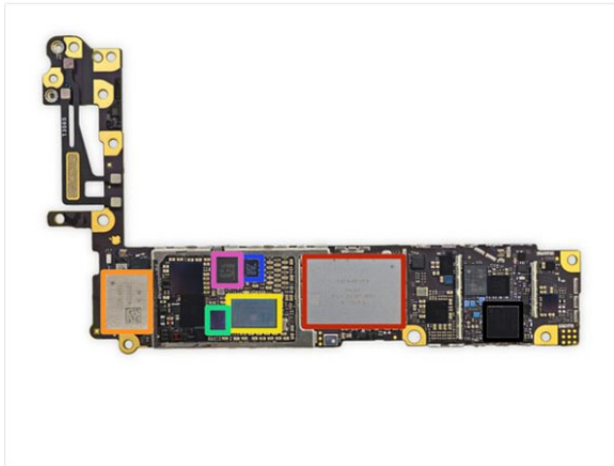


The front side of the logic board:

- Apple A8 APL1011 SoC + SK Hynix RAM as denoted by the markings H9CKNNN8KTMWR-NTH (we presume it is 1 GB LPDDR3 RAM, the same as in the iPhone 6 Plus)
- Qualcomm MDM9625M LTE Modem
- Skyworks 77802-23 Low Band LTE PAD
- Avago A8020 High Band PAD
- Avago A8010 Ultra High Band PA + FBARs
- Skyworks 77803-20 Mid Band LTE PAD
- InvenSense MP67B 6-axis Gyroscope and Accelerometer Combo

Processor

Step 17

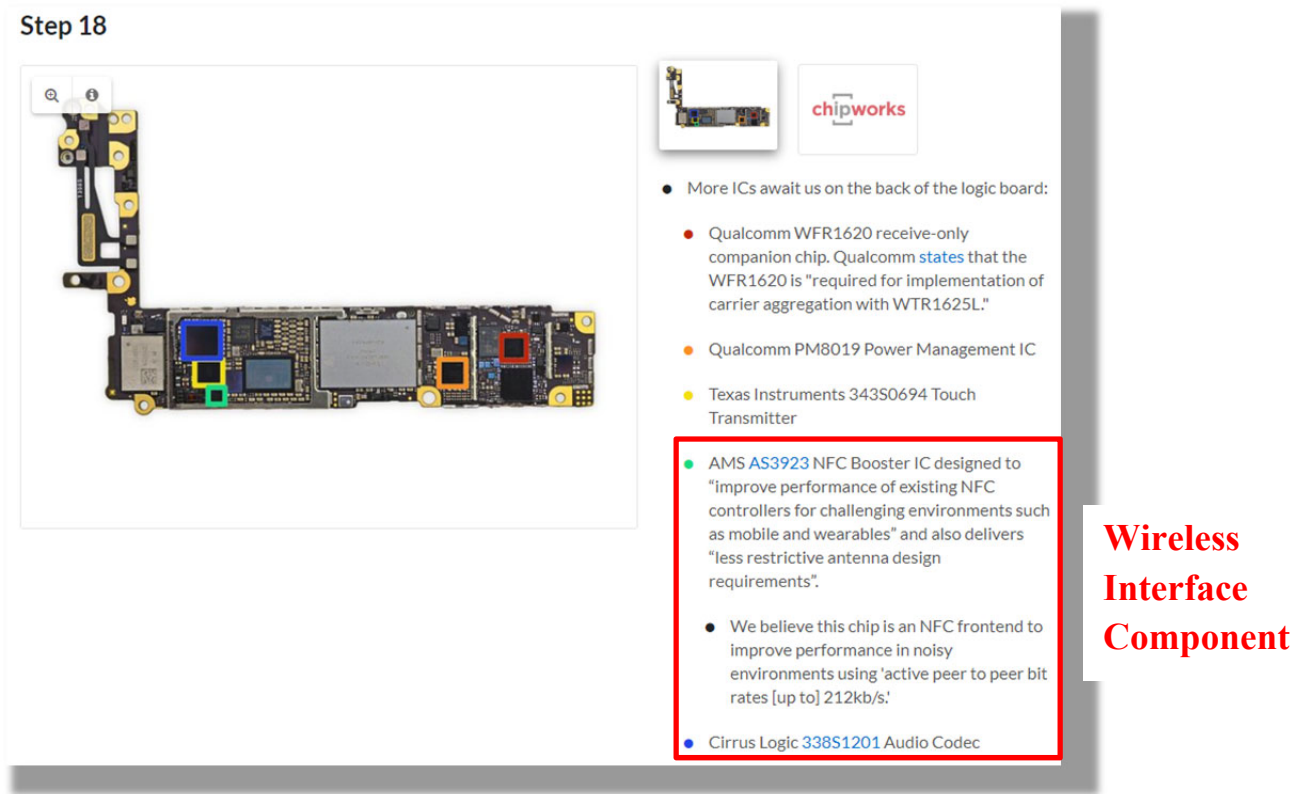


Back side of the logic board:

- SanDisk SDMLB2 128 Gb (16 GB) NAND Flash
- Murata 339S0228 Wi-Fi Module
- Apple/Dialog 338S1251-AZ Power Management IC
- Broadcom BCM5976 Touchscreen Controller
- NXP LPC18B1UK ARM Cortex-M3 Microcontroller (also known as the M8 motion coprocessor)
- NXP 65V10 NFC module + Secure Element (likely contains an NXP PN544 NFC controller inside)
- Qualcomm WTR1625L RF Transceiver

Memory

Wireless Interface Component



iPhone 6 Teardown, IFIXIT, <https://www.ifixit.com/Teardown/iPhone+6+Teardown/29213> (retrieved April 8, 2019).

COUNT I **(Infringement of the '137 Patent)**

10. Paragraphs 1 through 9 are incorporated herein by reference as if fully set forth in their entireties.

11. NetTech has not licensed or otherwise authorized Apple to make, use, offer for sale, sell, or import any Accused Devices and/or products that embody the inventions of the '137 Patent.

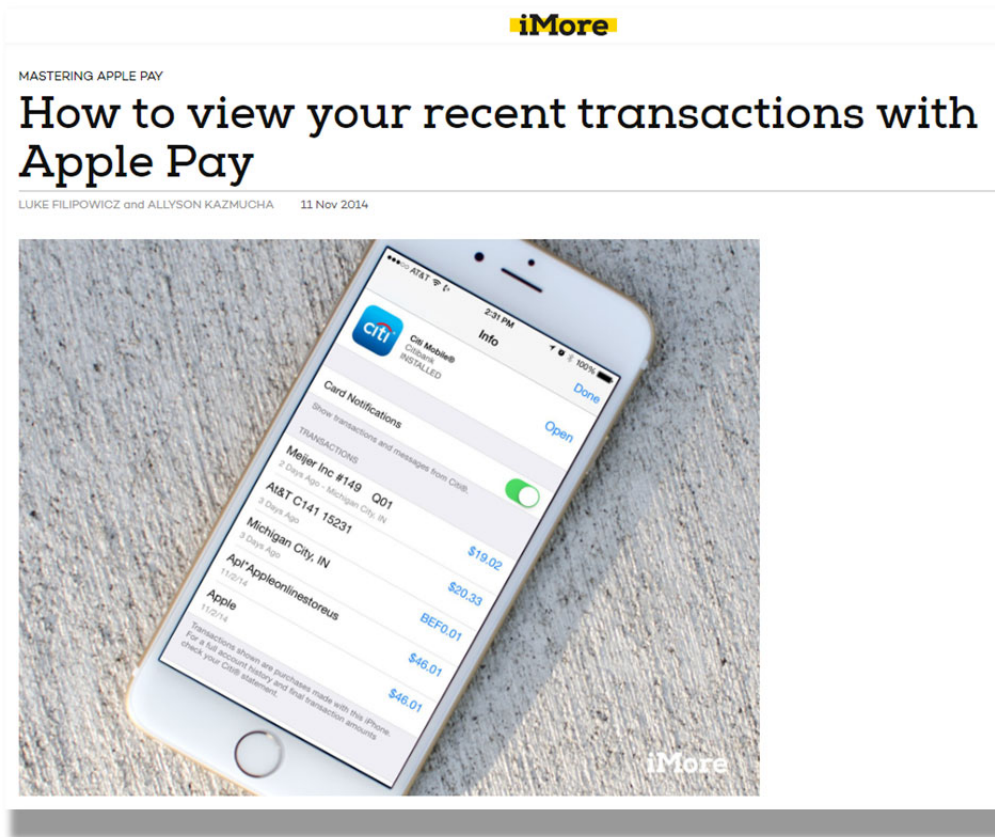
12. Apple has directly infringed at least claim 10 of the '137 Patent, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States the Accused Devices without authority and in violation of 35 U.S.C. § 271(a). For example, the Accused Devices, including at least the iPhone 6, include a multiple account

electronic credit card for handling multiple accounts, the credit card comprising a common processor for controlling operation of the credit card relative to all of the multiple accounts. For example, the iPhone 6 includes Apple Pay functionality which can control the operation of multiple credit cards relative to multiple accounts. Furthermore, the iPhone 6 includes an Apple A8 processor. Additionally, the Accused Products, such as the iPhone 6, include memory, such as SK Hynix RAM, which can store financial transaction records relative to the multiple accounts, and can store holder information and secondary account information. This holder information and secondary account information is loaded into the Accused Products' RAM during operation of Apple Pay.

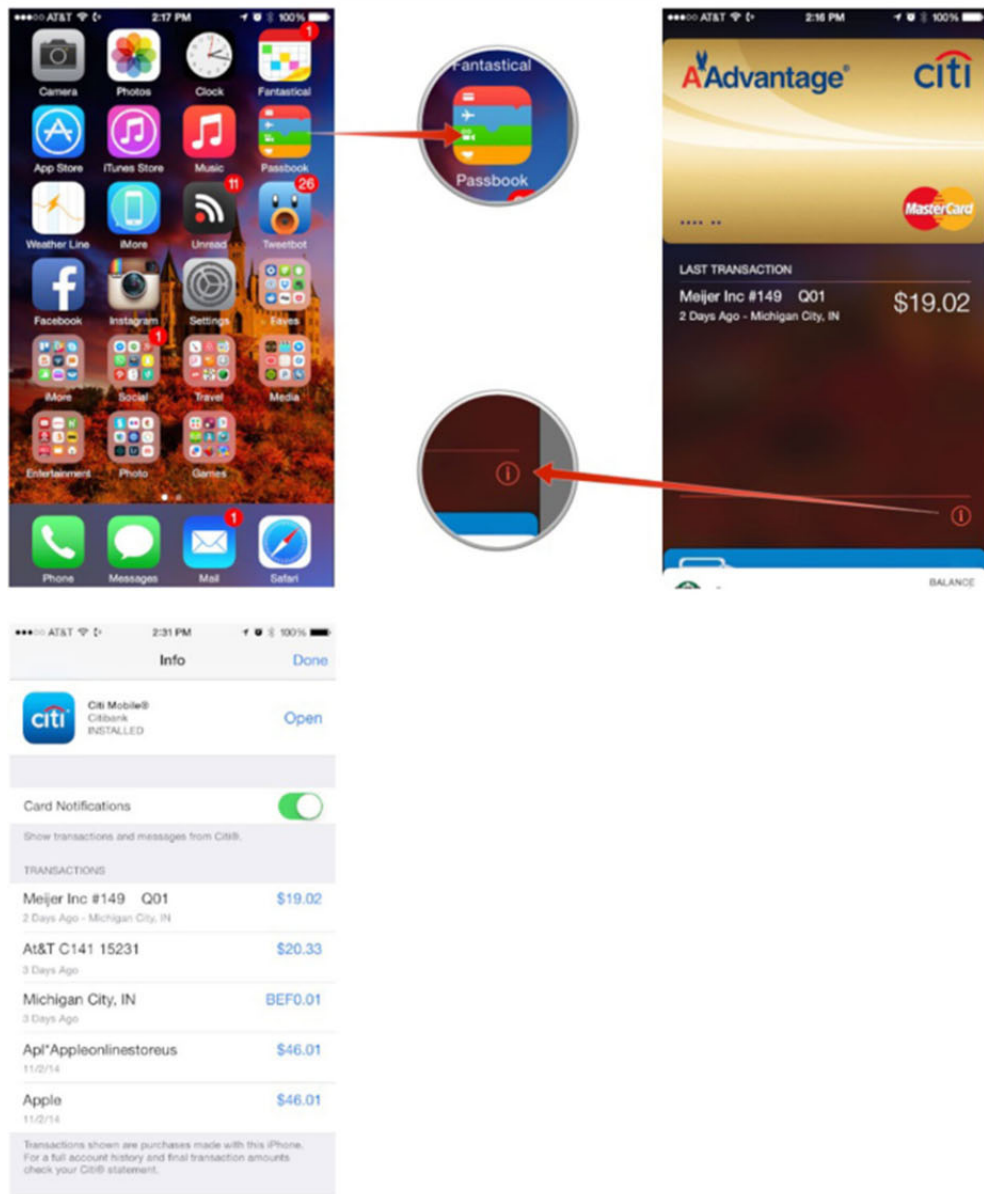
13. The Accused Products further include an interface for communicating with a card reader. For example, the iPhone 6 includes an NXP 65V10 NFC module. Additionally, the Apple Pay interface includes personal information identifying an authorized person for the electronic credit card and secondary account information including electronic credit card issuer information identifying a respective issuer of each of the multiple accounts so that the issuer of each of the multiple accounts is identified on the credit card. For example, the Apple Pay software includes information such as the credit card company and the credit card number.

14. The Accused Products further include a memory that is of sufficient size to store financial transaction records related to a predetermined time period of use. For example, as set forth above, the Accused Products include memory and software, such as Apple Pay, that can store financial transaction records, viewed through Apple Passbook and Apple Wallet, as shown in the figures below. Additionally, the Accused Products can display notifications that indicate the status of the financial transactions. The Accused Products further include a software facility associated with the processor and the memory that enables transfer of data stored in the memory

to a new multiple account electronic credit card. For example, Apple Pay as used on the Accused Devices, permits users to add new cards for payment.

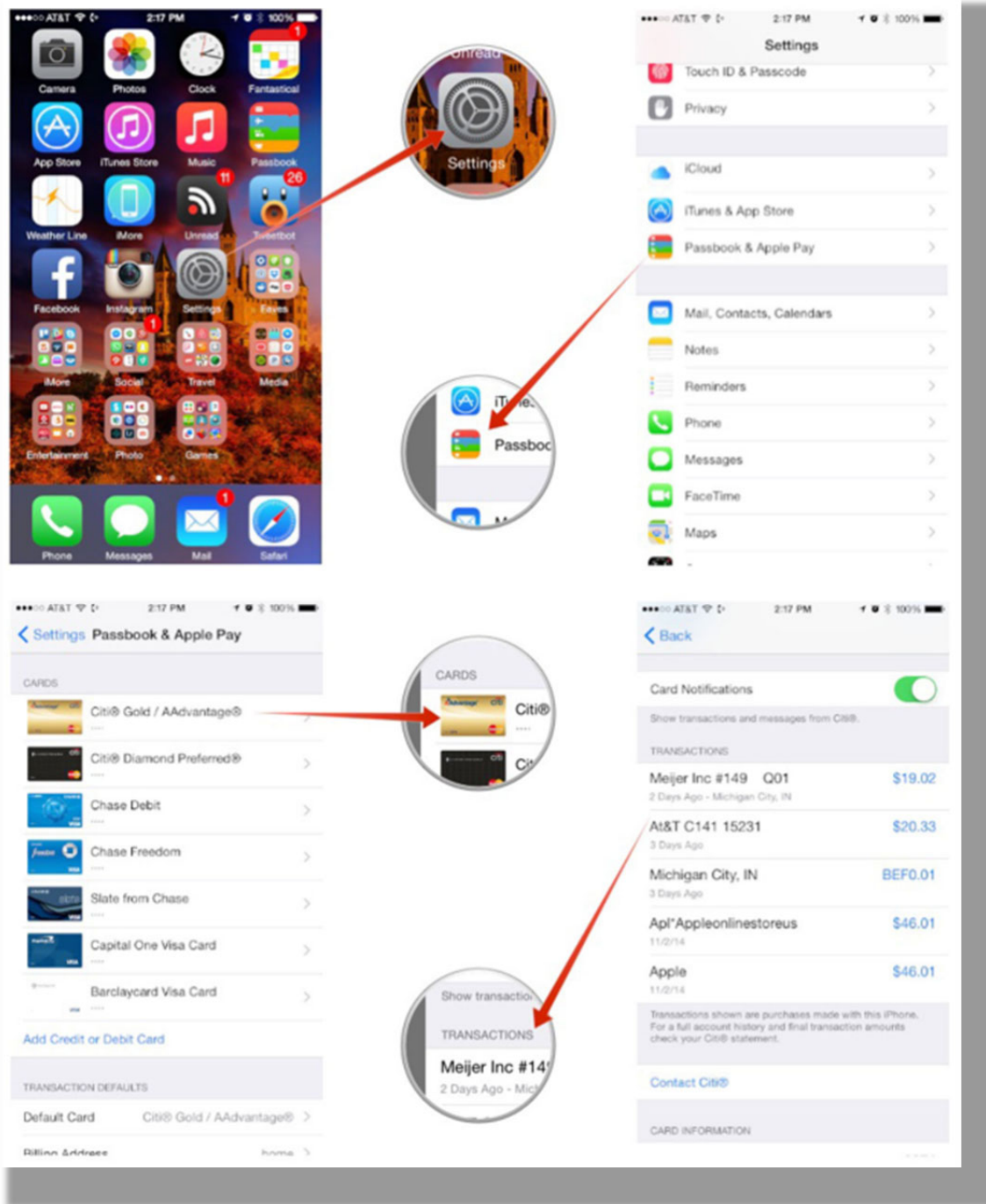


Luke Filipowicz, How to view your recent transactions with Apple Pay, iMore, <https://www.imore.com/how-view-recent-transactions-apple-pay> (Nov. 11, 2014) (Retrieved April 11, 2019).



The area beneath Passbook cards seems to only show transactions from the last 24 hours. If you haven't made a transaction in the last 24 hours, it shows the last transaction you made.

Id.



Id.

15. The Accused Products additionally include a processor for handling the financial transaction records relative to all of the multiple accounts while being able to identify and retrieve information relating to specific accounts responsive to operator commands. For

example, the operator of the Accused Devices including Apple Pay may use the touch-screen to select the payment card.

16. NetTech has suffered damages as a result of Apple's direct infringement of the '137 Patent in an amount to be proved at trial.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury for all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, NetTech prays for relief against Defendant as follows:

- a. Entry of judgment declaring that Apple has directly infringed one or more claims of the Patent-in-Suit;
- b. An order awarding damages sufficient to compensate NetTech for Apple's infringement of the Patent-in-Suit, but in no event less than a reasonable royalty, together with interest and costs;
- c. Entry of judgment declaring that this case is exceptional and awarding NetTech its costs and reasonable attorney fees under 35 U.S.C. § 285; and
- d. Such other and further relief as the Court deems just and proper.

Dated: February 28, 2020

Respectfully submitted,

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