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12 **UNITED STATES DISTRICT COURT**
13 **NORTHERN DISTRICT OF CALIFORNIA**

14 APPLE INC.,

15 Plaintiff,

16 v.

17 ZIPIT WIRELESS, INC.,

18 Defendant.
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Civil Action No. 5:20-cv-4448-EJD

**FIRST AMENDED COMPLAINT FOR
DECLARATORY JUDGMENT OF
NON-INFRINGEMENT OF U.S.
PATENT NOS. 7,292,870 AND 7,894,837**

DEMAND FOR JURY TRIAL

1 **AMENDED COMPLAINT FOR DECLARATORY JUDGMENT**

2 Plaintiff Apple Inc. (“Apple”) hereby alleges for its First Amended Complaint against
3 Defendant Zipit Wireless, Inc. (“Zipit”) as follows:

4 **NATURE AND HISTORY OF THE ACTION**

5 1. This is an action for a declaratory judgment of non-infringement of U.S. Patent Nos.
6 7,292,870 (“the ’870 patent”) and 7,894,837 (“the ’837 patent”) (collectively, the “Zipit Patents”).
7 Zipit has alleged that Apple has infringed these patents, and Apple disputes the alleged
8 infringement.

9 2. Zipit previously asserted the Zipit Patents in litigation against Apple. Specifically,
10 Zipit filed suit against Apple on June 11, 2020, accusing Apple of infringing the Zipit Patents
11 directly, contributorily, and by inducement. (*See Zipit Wireless, Inc., v. Apple Inc.*, Civil Action
12 No. 1:20-cv-02488-ELR (N.D. Ga.) (“the Former Zipit Litigation”), ECF No. 1.)

13 3. Without any prior notice to Apple, Zipit voluntarily dismissed the Former Zipit
14 Litigation without prejudice on June 24, 2020, and the action was terminated on June 25, 2020.

15 4. The parties’ history extends back beyond the Former Zipit Litigation. Zipit, as it
16 alleged in its Complaint in the Former Zipit Litigation, first contacted Apple regarding the Zipit
17 Patents several years before filing suit. *See* Former Zipit Litigation ECF No. 1 at 38, 43. In fact,
18 Zipit’s and Apple’s respective representatives met at Apple’s Cupertino, California headquarters in
19 2015 for the express purpose of conducting extensive negotiations regarding the Zipit Patents
20 (including whether a license was appropriate at all). Overall, the parties’ interactions took place
21 over the course of several years, from at least approximately 2014 through 2016, and further
22 encompassed the exchange of many rounds of correspondence about the Zipit Patents.

23 5. Zipit maintained throughout these conversations that Apple required a license to the
24 Zipit Patents. Apple maintained that it did not infringe any claims of the Zipit Patents and that the
25 Zipit Patents were invalid. The parties never reached agreement.

26 6. Given Zipit’s repeated threats of infringement against Apple, Apple filed its original
27 complaint in this declaratory judgment action on July 3, 2020. *See* Dkt. No. 1. On October 26,
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1 2020, Zipit moved to dismiss Apple’s Complaint for lack of personal jurisdiction, Dkt. No. 21,
2 which the Court granted on February 12, 2021. Dkt. No. 34. On March 15, 2021, Apple filed a
3 notice of appeal from this Court’s dismissal of Apple’s Complaint to the United States Court of
4 Appeals for the Federal Circuit (“Federal Circuit”). Dkt. No. 35. On April 18, 2022, the Federal
5 Circuit reversed the dismissal of Apple’s Complaint and remanded for further proceedings, Dkt.
6 Nos. 39, 40, and a mandate in accordance with this judgment issued on May 25, 2022. Dkt. No. 41.

7 7. In June 2021, Apple filed six IPR petitions against the ’870 patent and the ’837
8 patent, the IPR proceedings identified as follows:

- 9 - ’870 Patent: IPR2021-01124, IPR2021-01125, and IPR2021-01126 collectively challenging
10 claims 1-14, 17-19, 22, 23, 31-40 (“Apple ’870 patent IPRs”).
- 11 - ’837 Patent: IPR2021-01129, IPR2021-01130, and IPR2021-01131 collectively challenging
12 claims 1–7, 10, 12-13, 17-19, 21-24, 27-31, 33-39, 40-46, 48-50 of the ’837 patent (“Apple
13 ’837 patent IPRs”).

14 8. On December 21, 2021, the PTAB granted institution of the Apple ’870 patent IPRs
15 and the Apple ’837 patent IPRs (collectively, “Apple IPR Proceedings”).

16 9. The parties thereafter jointly stipulated to stay this action pending resolution of the
17 Apple IPR Proceedings. Dkt. 44.

18 10. The PTAB’s final written decisions for the instituted Apple IPR Proceedings issued
19 on December 20, 2022 (two IPRs) and April 20, 2023 (four IPRs). Regarding the ’870 patent, the
20 final written decisions found all challenged claims unpatentable. Regarding the ’837 patent, the
21 final written decisions found all challenged claims unpatentable except claims 40-42. Neither party
22 appealed the PTAB’s final written decisions.

23 11. Zipit separately initiated proceedings at the USPTO questioning the validity of its
24 own ’837 patent. Namely, on June 10, 2020—only one day before Zipit filed the Former Zipit
25 Litigation asserting both Zipit Patents against Apple, Zipit requested *ex parte* reexamination to
26 challenge the validity of its own ’837 patent claim 1 (i.e. “First Reexamination”). A reexamination
27 certificate issued as a result of those proceedings on November 23, 2020. During the First
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1 Reexamination, Zipit amended challenged claim 1 and added thirty more claims, nos. 21-50, all of
2 which depend on amended claim 1. On April 9, 2021, Zipit again requested *ex parte* reexamination
3 to contest the validity of its own '837 patent, this time questioning the validity of claim 11 (i.e.
4 “Second Reexamination”). Notably, Zipit filed this second reexamination request directed to claim
5 11 only after the PTAB’s final written decision in the separate Google IPR Proceeding¹, which
6 found claim 11 (along with all other challenged '837 patent claims) to be unpatentable.
7 Nevertheless, a reexamination certificate issued as a result of the Second Reexamination
8 proceedings on February 28, 2022. During this Second Reexamination, Zipit added thirty-one more
9 dependent claims, nos. 51-81, all of which depend from unpatentable claim 11, which was
10 cancelled during the proceeding.

11 12. Given the outcomes of the Apple IPR Proceedings and Google IPR Proceeding,
12 during which nearly all challenged Zipit Patent claims were found invalid, Apple hoped that this
13 near-decade-long dispute had been resolved. However, Zipit continues to assert that Apple
14 infringes claims of the Zipit Patents—at least what is left of them. For instance, Zipit contends
15 there remains a “legal dispute in this case concern[ing] whether Apple has infringed any valid claim
16 of the '837 patent or '870 patent.” Dkt. No. 51 at 4. Zipit also specifically contends that Apple
17 infringes claims 25, 26, 32, 40, 41, 42, 47, 55, 56, 59, 60, 62, 66, 67, 68, 73, 74, 79, and 81 of the
18 '837 patent—all of which were claims added during the First Reexamination or Second
19 Reexamination. *See* Dkt. No. 51 (Joint Case Management Statement) at 4.

20 13. Zipit’s actions have therefore created a real and immediate controversy between
21 Zipit and Apple as to whether Apple’s products and/or services infringe any claims of the Zipit
22 Patents.

23 14. As set forth herein, Apple does not infringe the Zipit Patents. Therefore, an actual
24 and justiciable controversy exists between the parties as to whether Apple’s products and/or

26 ¹ The Google IPR Proceeding refers to IPR2019-01568 wherein Google LLC, et al. challenged
27 claims 11, 12, 14–16, and 20 of the '837 patent, and the PTAB found all challenged claims
unpatentable.

1 services infringe any claims of the Zipit Patents. The facts and allegations recited herein show that
2 there is a real, immediate, and justiciable controversy concerning these issues. A judicial
3 declaration is necessary to determine the respective rights of the parties regarding the asserted
4 patents, and Apple respectfully seeks a judicial declaration that the Zipit Patents are not infringed
5 by any Apple products and/or services.

6 **THE PARTIES**

7 15. Plaintiff Apple is a California corporation with its principal place of business at One
8 Apple Park Way, Cupertino, California 95014.

9 16. On information and belief, and based on Zipit's allegations in the Former Zipit
10 Litigation, Defendant Zipit is a Delaware Corporation with a principal place of business located at
11 101 North Main Street, Suite 201, Greenville, South Carolina 29601.

12 17. On information and belief, including Zipit's allegations in the Former Zipit
13 Litigation, Zipit claims to own the Zipit Patents.

14 **JURISDICTION AND VENUE**

15 18. This action arises under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and
16 under the Patent Laws of the United States, 35 U.S.C. §§ 1 *et seq.*

17 19. This Court has subject matter jurisdiction over the claims alleged in this action at
18 least under 28 U.S.C. §§ 1331, 1332, 1338, 2201, and 2202, because this Court has exclusive
19 jurisdiction over declaratory judgment claims arising under the Patent Laws pursuant to 28 U.S.C.
20 §§ 1331, 1338, 2201, and 2202.

21 20. This Court can provide the relief sought in this Declaratory Judgment Complaint
22 because an actual case and controversy exists between the parties within the scope of this Court's
23 jurisdiction pursuant to 28 U.S.C. § 2201, at least because Zipit sued Apple for patent infringement,
24 despite the fact that Apple does not infringe, and has not infringed, any claims of the Zipit Patents.
25 While Zipit dismissed the Former Zipit Litigation, it did so without prejudice, leaving open the
26 possibility of Zipit suing Apple again on these same patents. Further, Zipit continues to allege that
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1 Apple infringes claims of the Zipit Patents. *See* ¶ 12, *supra*. Zipit’s actions have created a real,
2 live, immediate, and justiciable case or controversy between Zipit and Apple.

3 21. Zipit has consciously and purposefully directed activities at Apple, a company that
4 resides and operates in this District. As previously described, Apple and Zipit had extensive pre-
5 suit communications regarding the Zipit Patents over the course of several years. Zipit also came to
6 the District for an in-person meeting at Apple’s facilities in Cupertino to discuss the Zipit Patents.
7 Throughout, Zipit maintained that Apple required a license to the Zipit Patents. Zipit purposefully
8 directed these activities relating to the Zipit Patents at Apple in this District, and this action arises
9 out of and directly relates to Zipit’s contacts with Apple in this District.

10 22. In doing so, Zipit has established sufficient minimum contacts with the Northern
11 District of California such that Zipit is subject to specific personal jurisdiction in this action. The
12 exercise of personal jurisdiction based on these repeated and pertinent contacts does not offend
13 traditional notions of fairness and substantial justice.

14 23. As set forth above, Zipit previously challenged personal jurisdiction in a motion to
15 dismiss Apple’s original complaint, which the Court granted, but the Federal Circuit reversed. *See*
16 *supra* ¶ 6.

17 24. Venue in this District is proper under 28 U.S.C. §§ 1391(b), (c), and (d) with respect
18 to Apple’s declaratory judgment claims. As discussed above, this Court has personal jurisdiction
19 over Zipit because Zipit has engaged in actions in this District that form the basis of Apple’s claims
20 against Zipit—namely, the pre-suit communications and interactions with Apple representatives in
21 Cupertino, and the meeting at Apple’s Cupertino headquarters.

22 25. An actual and justiciable controversy exists under 28 U.S.C. §§ 2201-2202 between
23 Apple and Zipit as to whether the Zipit’s Patents are infringed by the Apple products and/or
24 services that Zipit alleged to infringe the Zipit Patents in the Former Zipit Litigation and as to
25 whether the Zipit Patents are invalid under 35 U.S.C. §102 and/or §103.

PATENTS-IN-SUIT

26. The '870 patent, entitled "Instant Messaging Terminal Adapted For Wi-Fi Access Points," states on its face that it issued on November 6, 2007. A true and correct copy of the '870 patent is attached as Exhibit A.

27. The '837 patent, entitled "Instant Messaging Terminal Adapted For Wi-Fi Access Points," states on its face that it issued on February 22, 2011. A true and correct copy of the '837 patent is attached as Exhibit B. The '837 patent reexamination certificate that issued on November 23, 2020 from the First Reexamination (11758th from Reexamination Control No. 90/014,522) is attached as Exhibit C. The '837 patent reexamination certificate that issued on February, 28 2022 from the Second Reexamination (12009th from Reexamination Control No. 90/014,722) is attached as Exhibit D.

FIRST CLAIM FOR RELIEF

(Declaratory Judgment That Apple Does Not Infringe The '870 Patent)

28. Apple repeats and realleges each and every allegation contained in paragraphs 1 through 27 of this Complaint as if fully set forth herein.

29. In view of the facts and allegations set forth above, there is an actual, justiciable, substantial, and immediate controversy between Apple, on the one hand, and Zipit, on the other, regarding whether Apple infringes any remaining claim of the '870 patent.

30. For instance, Apple does not infringe, and has not infringed, any remaining claim of the '870 patent. The '870 patent has only two remaining claims, dependent claims 15, 16, neither of which were challenged during the Apple IPR Proceedings and, on information and belief, have not otherwise been found unpatentable in other proceedings. Claim 15 (from which 16 depends) is reproduced below:

15. The terminal of claim 14 wherein each of the conversation session windows generated by the control module includes a header that identifies the active buddy with whom a conversation is being conducted, the number of windows being displayed, and the total number of active conversations.

1 31. Apple does not infringe either remaining claim of the '870 patent at least because no
2 Apple product or service meets or embodies the requirement that “conversation session windows
3 generated by the control module includes a header that identifies the active buddy with whom a
4 conversation is being conducted, the number of windows being displayed, and the total number of
5 active conversations.”

6 32. For example, Apple’s iPhones do not have any messaging service that includes
7 “conversation session windows” that display the specific information enumerated in claim 15, e.g.,
8 the “number of windows being displayed,” or “the total number of active conversations.”

9 33. In view of the foregoing, there is an actual, justiciable, substantial, and immediate
10 controversy between Apple and Zipit regarding whether Apple infringes any remaining claim of the
11 '870 patent.

12 34. Apple is entitled to judgment declaring that it does not infringe the '870 patent.
13 Apple has no adequate remedy at law.

14 **SECOND CLAIM FOR RELIEF**

15 **(Declaratory Judgment That Apple Does Not Infringe The '837 Patent)**

16 35. Apple repeats and realleges each and every allegation contained in paragraphs 1
17 through 27 of this Complaint as if fully set forth herein.

18 36. In view of the facts and allegations set forth above, there is an actual, justiciable,
19 substantial, and immediate controversy between Apple, on the one hand, and Zipit, on the other,
20 regarding whether Apple infringes any remaining claim of the '837 patent.

21 37. For instance, Apple does not infringe, and has not infringed, any claim of the '837
22 patent. For example, the '837 patent has two independent claims—
23 (1) claim 1, which was amended during the First Reexamination, and (2) cancelled claim 11. All
24 remaining dependent claims depend on either amended claim 1 or cancelled 11. Claim 11 is
25 reproduced below:

1 11. A method for managing wireless network access and instant messaging
2 through a wireless access point with a handheld instant messaging terminal
3 comprising:

4 generating textual characters and graphical symbols in response to manipulation of
5 keys on a data entry device of a handheld instant messaging terminal;

6 displaying the generated textual characters and graphical symbols on a display of the
7 handheld instant messaging terminal;

8 generating data messages with the generated textual characters and graphical
9 symbols in accordance with at least one instant messaging protocol that is
10 compatible with an instant messaging service;

11 wirelessly transmitting the generated data messages to a wireless network access
12 point through an Internet protocol communications module and wireless transceiver
13 in the handheld instant messaging terminal; and

14 controlling a conversation session in accordance with the at least one instant
15 messaging protocol being implemented with a control module located within the
16 handheld instant messaging terminal.

17 38. Claim 1 recites similar limitations. Apple does not infringe any claims of the '837
18 patent at least because no Apple product or service meets or embodies at least the following
19 limitations as used in the claimed inventions: “generating textual characters and graphical symbols
20 in response to manipulation of keys on a data entry device of a handheld instant messaging
21 terminal”; “displaying the generated textual characters and graphical symbols on a display of the
22 handheld instant messaging terminal”; “generating data messages with the generated textual
23 characters and graphical symbols in accordance with at least one instant messaging protocol that is
24 compatible with an instant messaging service”; “wirelessly transmitting the generated data
25 messages to a wireless network access point through an Internet protocol communications module
26 and wireless transceiver in the handheld instant messaging terminal”; and “controlling a
27 conversation session in accordance with the at least one instant messaging protocol being
28 implemented with a control module located within the handheld instant messaging terminal.” For
example, as shown above, claim 11 recites “a data entry device” and “a display” as separate
components with additional ascribed limitations. Apple’s iPhones do not have a separate “data

1 entry device” as they contain only a display. Namely, Apple’s iPhones have a software keyboard as
2 part of the display having distinct keyboard layouts for Emoji symbols and textual characters.

3 39. In view of the foregoing, there is an actual, justiciable, substantial, and immediate
4 controversy between Apple and Zipit regarding whether Apple infringes any remaining claim of the
5 ’837 patent.

6 40. Apple is entitled to judgment declaring that it does not infringe the ’837 patent.
7 Apple has no adequate remedy at law.

8 **PRAYER FOR RELIEF**

9 Apple respectfully requests the following relief:

- 10 A. That the Court enter a judgment declaring that Apple has not infringed and does not
11 infringe any valid and enforceable claim of the ’870 patent asserted by Zipit to be
12 infringed by Apple;
- 13 B. That the Court enter a judgment declaring that Apple has not infringed and does not
14 infringe any valid and enforceable claim of the ’837 patent asserted by Zipit to be
15 infringed by Apple;
- 16 C. That the Court declare that this case is exceptional under 35 U.S.C. § 285 and award
17 Apple its attorneys’ fees, costs, and expenses incurred in this action;
- 18 D. That the Court award Apple any and all other relief to which Apple may show itself
19 to be entitled; and
- 20 E. That the Court award Apple any other relief as the Court may deem just, equitable,
21 and proper.

22 **JURY DEMAND**

23 Apple hereby demands a jury trial on all issues and claims so triable.
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1 Dated: August 3, 2023

Respectfully submitted,

2 **APPLE INC.**

3 By its attorneys,

4
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