

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

CRYSTAL MOUNTAIN
COMMUNICATIONS, LLC,

Plaintiff,

v.

COOLPAD GROUP LIMITED and
YULONG COMPUTER
TELECOMMUNICATION SCIENTIFIC
(SHENZHEN) CO. LTD.,

Defendants.

CIVIL ACTION NO. 4:24-cv-308

ORIGINAL COMPLAINT FOR
PATENT INFRINGEMENT

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Crystal Mountain Communications, LLC (“CMC” or “Plaintiff”) files this original complaint against Defendants Coolpad Group Limited and Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd. and, alleging, based on its own knowledge as to itself and its own actions and based on information and belief as to all other matters, as follows:

PARTIES

1. CMC is a limited liability company formed under the laws of the State of Texas, with a registered address of 17350 State Hwy 249, Ste 220, Houston, Texas 77064.

2. Defendant Coolpad Group Limited is a company duly organized and existing under the laws of the Cayman Islands, with a place of business located at 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, China. Coolpad Group Limited may also be served with process by serving the Texas Secretary of State, 1019 Brazos Street, Austin, Texas 78701, as its agent for service because it engages in business in Texas but has not

designated or maintained a resident agent for service of process or a regular place of business in Texas as required by statute. This action arises out of that business.

3. Defendant Yulong Computer Telecommunication Scientific (Shenzhen) Co. Ltd. (“Yulong Shenzhen”) is a company duly organized and existing under the laws of the People’s Republic of China. Yulong Shenzhen has an office at Floor 21, Block A, Coolpad Building, Intersection of Keyuan Avenue and Baoshen Road, North High-Tech Industrial Park, Nanshan District, Shenzhen, China 518057. Yulong Shenzhen may also be served with process by serving the Texas Secretary of State, 1019 Brazos Street, Austin, Texas 78701, as its agent for service because it engages in business in Texas but has not designated or maintained a resident agent for service of process or a regular place of business in Texas as required by statute. This action arises out of that business.

4. Yulong Shenzhen is an indirect wholly owned subsidiary of Coolpad Group Limited. It develops and provides integrated solutions for Coolpad smartphone sets, mobile data platform system, and value-added business operations.¹

5. The Defendants identified in paragraphs 2–4 above (collectively, “Coolpad”) are part of an interrelated group of companies which together comprise one of the world’s largest manufacturers of wireless devices and one of the leading sellers of wireless devices in the United States, including the Coolpad brand. According to its company profile, Coolpad Group Limited “and its subsidiaries (collectively, the ‘Group’) [have] developed a large number of proprietary technologies and patents in mobile operating systems, radio frequency, protocols, and wireless data decomposed transmission technology, etc.”²

¹ Coolpad Group Limited, 2022 Annual Report, at 2, <https://doc.irasia.com/listco/hk/coolpad/annual/2022/ar2022.pdf>.

² *Id.*

6. The Coolpad defendants named above and their affiliates are part of the same corporate structure and distribution chain for the making, importing, offering to sell, selling, and using of the accused devices in the United States, including in the State of Texas generally and this judicial district in particular.

7. The Coolpad defendants named above and their affiliates share the same management, common ownership, advertising platforms, facilities, distribution chains and platforms, and accused product lines and products involving related technologies.

8. Thus, the Coolpad defendants named above and their affiliates operate as a unitary business venture and are jointly and severally liable for the acts of patent infringement alleged herein.

JURISDICTION AND VENUE

9. This is an action for infringement of United States patents arising under 35 U.S.C. §§ 271, 281, and 284–85, among others. This Court has subject matter jurisdiction of the action under 28 U.S.C. § 1331 and § 1338(a).

10. This Court has personal jurisdiction over Coolpad pursuant to due process and/or the Texas Long Arm Statute because, *inter alia*, (i) Coolpad has done and continues to do business in Texas; and (ii) Coolpad has committed and continues to commit acts of patent infringement in the State of Texas, including making, using, offering to sell, and/or selling accused products in Texas, and/or importing accused products into Texas, including by Internet sales and/or sales via retail and wholesale stores, inducing others to commit acts of patent infringement in Texas, and/or committing at least a portion of any other infringements alleged herein in Texas. In addition, or in the alternative, this Court has personal jurisdiction over Coolpad pursuant to Fed. R. Civ. P. 4(k)(2) because: (1) it has substantial contacts with the

United States and committed and/or induced acts of patent infringement in the United States; and (2) it is not subject to jurisdiction in any state's courts of general jurisdiction.

11. Venue is proper as to Defendants Coolpad Group Limited and Yulong Shenzhen, both of which are organized under the laws of foreign jurisdictions. 28 U.S.C. § 1391(c)(3) provides that “a defendant not resident in the United States may be sued in any judicial district, and the joinder of such a defendant shall be disregarded in determining where the action may be brought with respect to other defendants.” *See also In re HTC Corp.*, 889 F.3d 1349 (Fed. Cir. 2018).

BACKGROUND

12. U.S. Patent No. 7,266,121 (“the ’121 Patent”), titled “Flow Labels,” teaches methods and systems for allocating a flow label for a packet data flow.

13. U.S. Patent No. 8,725,120 (“the ’120 Patent”), titled “Internet System for Connecting Client-Travelers with Geographically-Associated Data,” teaches methods and systems for tracking geographic locations of clients and providing information to those clients based on the tracked location.

14. U.S. Patent No. 7,239,800 (“the ’800 Patent”), titled “Portable Player for Personal Video Recorders,” teaches methods and systems related to a portable video display devices which reproduce compressed video data for display.

15. U.S. Patent No. 6,782,367 (“the ’367 Patent”), titled “Method and Arrangement for changing Source Signal Bandwidth in a Telecommunication Connection with Multiple Bandwidth Capability,” teaches methods and systems for changing the signal bandwidth of a signal during a telecommunication connection.

COUNT I: DIRECT INFRINGEMENT OF U.S. PATENT NO. 7,266,121

16. On September 4, 2007, the '121 Patent was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Flow Labels."

17. CMC is the owner of the '121 Patent, with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the '121 Patent against infringers, and to collect damages for all relevant times.

18. Coolpad made, had made, used, imported, provided, supplied, distributed, sold, and/or offered various devices with WiFi capabilities. For example, Coolpad makes, uses, and sells phones and tablets that utilize WiFi. Coolpad's devices with WiFi compatibility include software and hardware on the devices that implement the inventions claimed in the '121 Patent.

19. By doing so, Coolpad has directly infringed (literally and/or under the doctrine of equivalents) at least Claim 1 of the '121 Patent. The infringing activities in this regard are ongoing.

20. The Accused Products include Coolpad products that comply with the 802.11n - 2009 Standard (and subsequent standards that are backwards compatible with such standard).

21. CMC has been damaged as a result of the infringing conduct by Coolpad. Thus, Coolpad is liable to CMC in an amount that adequately compensates it for such infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

22. CMC has neither made nor sold unmarked articles that practice the '121 Patent, and is entitled to collect pre-filing damages for the full period allowed by law for infringement of the '121 Patent.

23. Exhibit A sets forth CMC's illustrative claim chart for claim 1 of the '121 Patent.

COUNT II: DIRECT INFRINGEMENT OF U.S. PATENT NO. 7,239,800

24. On July 3, 2007, the '800 Patent was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Portable Player for Personal Video Recorders."

25. CMC is the owner of the '800 Patent, with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the '800 Patent against infringers, and to collect damages for all relevant times.

26. Coolpad made, had made, used, imported, provided, supplied, distributed, sold, and/or offered various devices with video playing capabilities. For example, Coolpad makes, uses, and sells phones and tablets that include the capabilities of a portable digital video player. Coolpad's devices with video playing capabilities include software and hardware on the devices that implement the inventions claimed in the '800 Patent.

27. By doing so, Coolpad has directly infringed (literally and/or under the doctrine of equivalents) at least Claim 16 of the '800 Patent. The infringing activities in this regard are ongoing.

28. The Accused Products include Coolpad products, such as phones and tablets, that have video playing capabilities.

29. CMC has been damaged as a result of the infringing conduct by Coolpad. Thus, Coolpad is liable to CMC in an amount that adequately compensates it for such infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

30. CMC has neither made nor sold unmarked articles that practice the '800 Patent, and is entitled to collect pre-filing damages for the full period allowed by law for infringement of the '800 Patent.

31. Exhibit B sets forth CMC's illustrative claim chart for claim 16 of the '800 Patent.

COUNT III: DIRECT INFRINGEMENT OF U.S. PATENT NO. 8,725,120

32. On May 13, 2014, the '120 Patent was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Internet System for Connecting Client-Travelers with Geographically-Associated Data."

33. CMC is the owner of the '120 Patent, with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the '120 Patent against infringers, and to collect damages for all relevant times.

34. Coolpad made, had made, used, imported, provided, supplied, distributed, sold, and/or offered various devices utilizing geographic tracking. For example, Coolpad makes, uses, and sells phones and tablets with geographic tracking capabilities.

35. By doing so, Coolpad has directly infringed (literally and/or under the doctrine of equivalents) at least Claim 1 of the '120 Patent. The infringing activities in this regard are ongoing.

36. The Accused Products include Coolpad products, such as smart phones or tablets, that have geographic tracking capabilities.

37. CMC has been damaged as a result of the infringing conduct by Coolpad. Thus, Coolpad is liable to CMC in an amount that adequately compensates it for such infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

38. CMC is only asserting method claims for the '120 Patent, and therefore, 35 U.S.C § 287(a) does not apply.

39. Exhibit C sets forth CMC's illustrative claim chart for claim 1 of the '120 Patent.

COUNT IV: DIRECT INFRINGEMENT OF U.S. PATENT NO. 6,782,367

40. On August 24, 2004, the '367 Patent was duly and legally issued by the United States Patent and Trademark Office for an invention entitled "Method and Arrangement for Changing Source Signal Bandwidth in a Telecommunication Connection with Multiple Bandwidth Capability."

41. CMC is the owner of the '367 Patent, with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the '367 Patent against infringers, and to collect damages for all relevant times.

42. Coolpad made, had made, used, imported, provided, supplied, distributed, sold, and/or offered various devices utilizing a 4G Modem. For example, Coolpad makes, uses, and sells smart phones and tablets compatible with a 4G modem. Coolpad's devices compatible with 4G Modems include software and hardware on the devices that implement the inventions claimed in the '367 Patent.

43. By doing so, Coolpad has directly infringed (literally and/or under the doctrine of equivalents) at least Claim 21 of the '367 Patent. The infringing activities in this regard are ongoing.

44. The Accused Products include Coolpad products, such as smartphones and tablets, that are compatible with 4G modems.

45. CMC has been damaged as a result of the infringing conduct by Coolpad. Thus, Coolpad is liable to CMC in an amount that adequately compensates it for such infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

46. CMC is only asserting method claims for the '367 Patent, and therefore, 35 U.S.C § 287(a) does not apply.

47. Exhibit D sets forth CMC's illustrative claim chart for claim 21 of the '367 Patent.

ADDITIONAL ALLEGATIONS REGARDING INFRINGEMENT

48. Coolpad has also directly infringed the '121, '800, '120, and '367 Patents by exercising direction or control over the use of the accused products by its customers. When Coolpad's customers use the accused products, Coolpad is putting the accused products into service and conditions the benefit received by each customer from using the accused products (which utilize the methods taught by the '121, '800, '120, and '367 Patents). Use of the accused products in such manner infringes the '121, '800, '120, and '367 Patents.

49. Coolpad has also indirectly infringed the '121, '800, '120, and '367 Patents by inducing others to directly infringe these patents. Coolpad has induced the end-users, Coolpad's customers, to directly infringe (literally and/or under the doctrine of equivalents) the '121, '800, '120, and '367 Patents by using the accused products. Coolpad took active steps, directly and/or through contractual relationships with others, with the specific intent to cause them to use the accused products in a manner that infringes Claim 1 of the '121 Patent, Claim 16 of the '800 Patent, Claim 1 of the '120 Patent, and Claim 21 of the '367 Patent. Such steps by Coolpad included, among other things, advising or directing customers and end-users to use the accused products in an infringing manner; advertising and promoting the use of the accused products in an infringing manner; and/or distributing instructions that guide users to use the accused products in an infringing manner. Defendant is performing these steps, which constitute induced infringement with the knowledge of the '121, '800, '120, and '367 Patents and with the knowledge that the induced acts constitute infringement. Defendant is aware that the normal and

customary use of the accused products by Defendant's customers would infringe the '121, '800, '120, and '367 Patents. Coolpad's inducement is ongoing.

50. Coolpad has also indirectly infringed by contributing to the infringement of the '121, '800, '120, and '367 Patents. Coolpad has contributed to the direct infringement of the '121, '800, '120, and '367 Patents by the end-user of the accused products. The accused products have special features that are specially designed to be used in an infringing way and that have no substantial uses other than ones that infringe Claim 1 of the '121 Patent, Claim 16 of the '800 Patent, Claim 1 of the '120 Patent, and Claim 21 of the '367 Patent. The special features constitute a material part of the invention of one or more of the claims of the '121, '800, '120, and '367 Patents and are not staple articles of commerce suitable for substantial non-infringing use. Coolpad's contributory infringement is ongoing.

51. Coolpad has knowledge of the '121, '800, '120, and '367 Patents at least as of the date when it was notified of the filing of this action.

52. Furthermore, on information and belief, Coolpad has a policy or practice of not reviewing the patents of others (including instructing its employees to not review the patents of others), and thus has been willfully blind of CMC's patent rights.

53. Coolpad's actions are at least objectively reckless as to the risk of infringing a valid patent and this objective risk was either known or should have been known by Coolpad. Coolpad's direct and indirect infringement one or more of the '121, '800, '120, and '367 Patents is, has been, and/or continues to be willful, intentional, deliberate, and/or in conscious disregard of CMC's rights under the patent.

54. CMC has been damaged as a result of the infringing conduct by defendant alleged above. Thus, Coolpad is liable to CMC in an amount that adequately compensates it for such

infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

JURY DEMAND

CMC hereby requests a trial by jury on all issues so triable by right.

PRAYER FOR RELIEF

CMC requests that the Court find in its favor and against Coolpad, and that the Court grant CMC the following relief:

a. Judgment that one or more claims of the '121, '800, '120, and '367 Patents have been infringed, either literally and/or under the doctrine of equivalents, by Coolpad and/or all others acting in concert therewith;

b. A permanent injunction enjoining Coolpad and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in concert therewith from infringement of one or more of the '121, '800, and '120 Patents; or, in the alternative, an award of a reasonable ongoing royalty for future infringement of one or more of the '121, '800, and '120 Patents by such entities;

c. Judgment that Coolpad account for and pay to CMC all damages to and costs incurred by CMC because of Coolpad's infringing activities and other conduct complained of herein, including an award of all increased damages to which CMC is entitled under 35 U.S.C. § 284;

d. That CMC be granted pre-judgment and post-judgment interest on the damages caused by Coolpad's infringing activities and other conduct complained of herein;

e. That this Court declare this an exceptional case and award CMC its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and

f. That CMC be granted such other and further relief as the Court may deem just

and proper under the circumstances.

Dated: April 10, 2024

Respectfully submitted,

/s/ Zachariah S. Harrington

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