UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS WACO DIVISION

PINN, INC.,

Plaintiff,

v.

XIAOMI CORPORATION, XIAOMI COMMUNICATIONS CO., LTD, AND XIAOMI INC.

Defendants.

Case No. 6:24-cv-00013-XR

JURY TRIAL DEMANDED

PINN'S FIRST AMENDED COMPLAINT

Pinn, Inc. ("Plaintiff" or "Pinn") files this First Amended Complaint against Xiaomi Corporation, Xiaomi Communications Co., Ltd, and Xiaomi Inc. (sometimes referred to collectively as "Xiaomi" or "Defendants"). Xiaomi markets, sells, offers for sale, and distributes in the U.S. and imports into the U.S. wireless earbud systems that practice one or more claims of U.S. Patent No. 10,455,066 (the "066 Patent"), which is owned by Pinn, Inc.

THE PARTIES

1. Pinn, Inc. is a California Corporation with its headquarters and principal place of business at 2522 Chambers Rd., Suite 100, Tustin, California 92782.

- 2. Defendant Xiaomi Corporation is a corporation organized and existing under the laws of the Cayman Islands, with a place of business at Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Xiaomi Corporation has been served.
- 3. Defendant Xiaomi Communications Co., Ltd. is a corporation organized and existing under the laws of the People's Republic of China, with its principal place of business at Xiaomi Office Building, 68 Qinghe Middle Street, Haidian District, Beijing, China 100085.
- 4. Xiaomi Inc. is a corporation organized under the laws of the People's Republic of China, with its principal place of business at Xiaomi Office Building, 68 Qinghe Middle Street, Haidian District, Beijing, China 100085.
- 5. Plaintiff previously hand-delivered a copy of the Original Complaint and Summons to an individual, Mr. Liu, who indicated he was authorized to receive documents on behalf of Xiaomi Inc. and Xiaomi Communications Co., Ltd. but those entities now claim that service was improper and refuse to cooperate with service.

JURISDICTION AND VENUE

- 6. This patent infringement suit is brought under the U.S. Patent Act, namely, 35 U.S.C. §§ 271, 281, and 284-285, among other laws. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).
 - 7. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1400(b),

because Xiaomi markets, sells, makes, tests, uses, and delivers Accused Products in this district, directs and instructs customers and end users on how to use the accused products in this district, and has committed acts of infringement in this district. Further, venue is proper as to Xiaomi in this District under 28 U.S.C. § 1391(c), because each of the Xiaomi entities is a foreign corporation. Xiaomi does business in Texas and in the Western District of Texas, directly or through its subsidiaries, distributors, and/or affiliates.

- 8. Xiaomi is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long-Arm Statute, due at least to its substantial business in Texas and in this judicial district, including: (a) its infringing activities as alleged herein, by which Defendants purposefully avail themselves of the privilege of conducting business activities in this state and district and thereby submit to the jurisdiction of this Court; and (b) regularly doing or soliciting business, contracting with and engaging in other persistent conduct targeting residents of Texas and this district, or deriving substantial revenue from goods and services offered for sale, sold, and imported to and targeting residents of Texas and this district directly and through or in concert with intermediaries, agents, distributors, importers, customers, subsidiaries, affiliates, and/or consumers.
- 9. Xiaomi offers for sale and sells products within the State of Texas and within the Western District of Texas that directly infringe the Asserted Patent. Xiaomi

purposefully and voluntarily places its infringing products into the stream of commerce with both the expectation and the knowledge that those products will be purchased and used by consumers in the Western District of Texas. Xiaomi, directly or through intermediaries, makes, uses, offers for sale, imports, sells, advertises, or distributes products and services in the United States, in Texas, and in this district.

- 10. This Court has personal jurisdiction over the Xiaomi Defendants, because of the activities committed directly by the Xiaomi Defendants or indirectly through their intermediaries, agents, related entities, affiliates, distributors, importers, customers, subsidiaries, or consumers. Alone and in concert with these entities, Xiaomi has committed acts of direct patent infringement, within Texas and elsewhere within the United States, giving rise to this action and/or has established minimum contacts with Texas.
- 11. The Court's exercise of jurisdiction over all three defendants would not offend traditional notions of fair play and substantial justice, because each of them have sufficient minimum contacts with Plaintiff's chosen forum. Defendants' contacts with this forum are sufficient to justify the exercise of jurisdiction under both general jurisdiction and specific jurisdiction principles.
- 12. In the alternative, the Court has personal jurisdiction over the Xiaomi Defendants under Federal Rule of Civil Procedure 4(k)(2), because the claims for patent infringement in this action arise under federal law; the Xiaomi Defendants are not

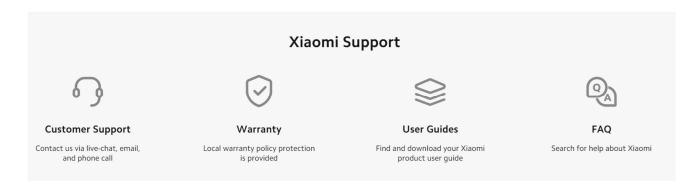
subject to the jurisdiction of the courts of general jurisdiction of any state; and exercising jurisdiction over the Xiaomi Defendants comports with due process under the U.S. Constitution.

- 13. **Xiaomi has "extensive ties to the United States."** See Declaration of Bin Lin, its Co-Founder, Xiaomi Corp. v. Department of Defense, Case 1:21-cv-00280-RC, ECF14-2 at ¶¶ 9-12. "Between 2016 and 2020, Xiaomi's revenue from the sale of products in the United States totaled more than \$300 million." *Id.* at ¶11.
- 14. Xiaomi purposefully sells products in the United States (and Texas) through its distributors and Xiaomi websites: Xiaomi Corp., its subsidiaries and affiliates (including Xiaomi Communications Co., Ltd., and Xiaomi Inc.) are involved in manufacturing, importing, distributing, and selling accused Xiaomi products in the United States and in Texas. Xiaomi has entered into distribution agreements to sell the infringing products in the U.S. and Texas. Xiaomi U.S. retail stores and distributors include: Xiaomi US subsidiaries, Tekmovil (https://www.accesswire.com/617408/tekmovil-becomes-xiaomis-official-distributorin-the-us-making-its-stellar-ecosystem-products-accessible-in-the-us-market), Walmart, Amazon, Swiftronics, and MGB (who partners with official Xiaomi distributors in the U.S.). Xiaomi Corporation has sold accused Xiaomi products to customers in Texas and in this district.
 - 15. Warehouse in Dallas, Texas: According to Xiaomi, Xiaomi

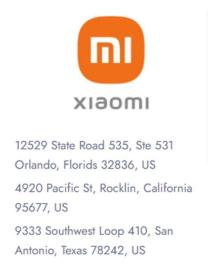
Corporation's subsidiary (Xiaomi Technology) has a third-party partner in Dallas, Texas that handles after-sale service for Xiaomi's products in the US and has a huge warehouse in Dallas to handle product defects claims and returns. *See Dareltech, LLC v. Xiaomi*, Case No 18 Civ. 8729, Southern District of New York, Testimony of Aaron Yang, ECF 58-2 at 148:13-150:3.

- 16. **Xiaomi online U.S. retail websites**: Xiaomi, Inc. and Xiaomi Corporation maintain multiple websites directed to U.S. customers that offer the infringing products (that were manufactured for Xiaomi Communications Co. Ltd.) for sale in the United States and Texas:
 - o https://www.mi.com (operated by "Xiaomi, Inc. and its affiliates" and sells infringing products to US consumers; infringing products manufactured for Xiaomi Communications Co. Ltd.).
 - o https://miusastore.com (displays trademarks owned by Xiaomi, Inc., and sells infringing products to US consumers; infringing products manufactured for Xiaomi Communications Co. Ltd.).
 - o https://www.amazon.com/stores/Xiaomi/page/02B8D23F-3BED-4542-AB11-43606B9FD75E?ref = ast bln&store ref=bl ast dp brandLogo sto. (operated by Xiaomi Corporation, uses marks owned by Xiaomi, Inc., and sells infringing products to US consumers, infringing products manufactured for Xiaomi Communications Co. Ltd.).
 - https://www.walmart.com/brand/xiaomi/10021865. (displays trademarks owned by Xiaomi, Inc., sells infringing products to US consumers; infringing products manufactured for Xiaomi Communications Co. Ltd.).
 - o Apple and Google app stores (Xiaomi earbud app with Find feature requires agreements with "Xiaomi, Inc. and its affiliates").

17. Xiaomi provides support and instructions for use on its U.S. retail websites:



18. Xiaomi targets Texas consumers through San Antonio location and Houston help line: The Xiaomi website (www.miusastore.com) directs US consumers to call a Houston number (346 area code) for customer support and previously identified a San Antonio physical address for Xiaomi.



19. **Xiaomi U.S. Data Centers**: Xiaomi has "data centers in the United States" and directs U.S. consumers to contact Xiaomi Communications Co., Ltd. for

issues related to the collection of data in the United States. See www.mi.com/us/about/privacy/

20. Xiaomi FCC Certifications and Registrations: The Federal Communications Commission certifications for the accused products specify that the products conform with U.S. FCC standards. Xiaomi Communications Co., Ltd. provides manuals with English instructions for the Accused Products. The infringing Xiaomi products were manufactured for Xiaomi Communications Co., Ltd. and are sold in the United States.

FCC ID: 2AW4L-M2137E1 IC: 2042B-M2137E1 CAN ICES-003(B)/NMB-003(B)



Manufactured for: Xiaomi Communications Co., Ltd.

21. Xiaomi requires U.S. consumers (including Texas consumers) to enter into agreements with Xiaomi and its affiliates: The accused Xiaomi earbud app is offered for sale on U.S. app stores (e.g., Apple, Google). Xiaomi links to its US website (www.mi.com/us/) and requires U.S. end users to enter into agreements with "Xiaomi, Inc. and its affiliates." This practice is not unique to Xiaomi's accused Find application. Xiaomi also purports to require users of its U.S. website to enter into agreements with "Xiaomi Inc. and its affiliates" to use the Xiaomi U.S. website. See

www.static.account.xiaomi.com/html/agreement/user/global/en US.html

- 22. **Xiaomi designs its products for the U.S. Market**: Xiaomi intends for U.S. customers (including customers in Texas) to purchase its products and provides notices under state and federal law (e.g., Prop. 65 warnings, U.S. copyright notices). Xiaomi provides user guides and support help in English on its U.S. website. The accused wireless earbuds conform to U.S. FCC regulations (e.g., FCC Part 15, Subpart C, Section 15.247).
- 23. **Xiaomi seeks the protections of U.S. IP laws**: Xiaomi had filed nearly 5,000 patent applications in the U.S. *See, e.g.,* https://insights.greyb.com/xiaomi-patents/; US D971,185; and Pub. No. US2023/0345160 A1. Xiaomi's mi.com and miusastore.com websites invoke copyright protections: "Copyright © 2010 2024 Xiaomi. All Rights Reserved". All of Xiaomi's online stores use the "MI" logos and marks registered to Xiaomi, Inc. *See, e.g.,* US Serial Number 79335971 (covers "wireless earphones").



24. Xiaomi Corporation directs activities in the U.S., including in Texas, and controls affiliates and subsidiaries in the U.S. Xiaomi Corporation, Xiaomi Communications Co., Ltd., and Xiaomi, Inc. act in concert to place the Accused

Products into the stream of commerce through their distributors, affiliates and intermediaries and, thereafter, stay involved in various aspects of online marketing, sales, repairs, etc. *See* Xiaomi U.S. websites. The Xiaomi entities share economic interest in the returns generated by their activities. *See* https://ir.mi.com/financial-information/annual-interim-reports (financial reports).

THE PINN PATENT

- 25. Seung Jin Kim invented the subject matter claimed in the '066 patent, and his company, Pinn, Inc. is the assignee of all right, title and interest in and to the '066 patent, including the right to pursue and recover any and all monetary and equitable remedies for infringement.
- 26. On October 22, 2016, the United States Patent and Trademark Office ("USPTO") issued U.S. Patent No. 10,455,066, following a full examination of U.S. Pat. App. Ser. No. 15/563,937, which was filed on April 4, 2016.

THE XIAOMI INFRINGING PRODUCTS

27. Xiaomi wireless earbud systems, or "wearables," are comprised of a base station, earbuds, a connection hole, a user input button, and electrical circuitry designed to connect the earbuds to the base station. Infringing Xiaomi products include Redmi Buds 3, Redmi Buds 3 Pro, Redmi Buds 4, Redmi Buds 4 Pro, Redmi Buds 5 Pro, Buds 3, 3 Pro Air Dots, and J-18. Regarding claims 10 and 30, certain Xiaomi earbuds include the Find feature, such as: Redmi Buds 3 Pro, Redmi Buds 4, Redmi Buds 4 Pro, and

Redmi Buds 5 Pro.

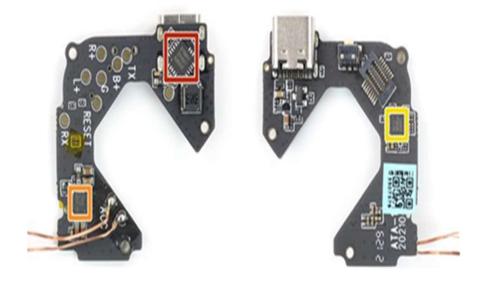
- 28. As detailed in Pinn's infringement contentions, the Accused Products meet every limitation of one or more claims of the Asserted Patent.
- 29. The Xiaomi earbuds have a base station case for the earbuds, and the Xiaomi wireless earbuds plug into respective connections holes to form an intergrated body.



30. In normal operation, the Xiaomi wireless earbuds communicate with a

smartphone via Bluetooth and connect to the main body for wired data communication via an earbud connector.

31. Each earbud communicates via wired data communication with an electrical circuit of the base station, which includes a processor and memory.



32. The Xiaomi earbuds include a user input button on the case, which communicates with the buds and the base station. The button is used to initiate Bluetooth pairing and factory resets.



- 33. Audio from a smartphone is played through the earbuds via Bluetooth.
- 34. Configured to recognize when the earbuds are placed in the connection hole, the processor is further configured to execute instructions stored in memory to initiate charging of the battery of the wireless earbud.
- 35. Charging of the wireless earbud and wired two-way data communication between the earbud and base station occur via charging contacts and electrical circuitry located in the base station.
- 36. The Xiaomi earbuds are *not* capable of wirelessly communicating with the mobile base station.

COUNT I INFRINGEMENT OF U.S. PATENT NO. 10,455,066

- 37. Pinn incorporates the above paragraphs by reference.
- 38. The '066 Patent is valid, enforceable, and was duly issued in full compliance with Title 35 of the U.S. Code.

- 39. Xiaomi has infringed and continues to infringe one or more claims, including claims 1, 2, 6, 10 and 30 of the '066 Patent, by making, using, selling, and/or, offering for sale the Xiaomi earbuds in the United States and/or importing the Accused Products into the United States, without authority to do so.
- 40. Pinn has been damaged by Xiaomi's infringement. Xiaomi is liable to Pinn in an amount no less than a reasonable royalty, together with interest and costs as fixed by the Court under 35 U.S.C. § 284.

PRAYER FOR RELIEF

Plaintiff seeks the following relief:

- 1. Judgment that Xiaomi has infringed one or more valid claims of the '066 Patent;
- 2. An accounting;
- 3. An award of damages adequate to fully compensate Pinn for Xiaomi's infringement, up to and including the date judgment is entered, to the fullest extent available under the Patent Act, including 35 U.S.C. §§ 154(d) and 284, plus pre- and post-judgment interest at the highest allowable rates;
- 4. An award of enhanced and/or treble damages, pursuant to 35 U.S.C. § 284;
- 5. Judgment that this case is exceptional, along with a corresponding award of reasonable attorney's fees;
- 6. Costs and disbursements, pursuant to Fed. R. Civ. P. 54(d), 28 U.S.C. § 1920, 35 U.S.C. § 284, or as otherwise available; and
- 7. All other relief the Court deems just and proper.

JURY DEMAND

Plaintiff demands a trial by jury of all issues so triable pursuant to Federal Rule of Civil Procedure 38.

Dated: August 30, 2024

Respectfully Submitted,

By: /s/ David A. Skeels

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ATTORNEYS FOR PLAINTIFF

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CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of August, 2004, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following:

Rene Treviño

Greenberg Traurig, LLP 1000 Louisiana Street, Suite 6700 Houston, TX 77002 Counsel for Defendant Xiaomi Corporation

/s/ David A. Skeels