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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION  
11

12 ALIPHCOM, a California corporation,

13 Plaintiff,

14 v.

15 WI-LAN, INC., a Canadian corporation,

16 Defendant.  
17

Case No. 3:10-cv-02337-SI

FIRST AMENDED COMPLAINT  
FOR DECLARATORY JUDGMENT  
OF PATENT INVALIDITY,  
NONINFRINGEMENT, AND  
UNENFORCEABILITY

**DEMAND FOR JURY TRIAL**

18 Plaintiff Aliphcom (“Aliph”), for its First Amended Complaint for Declaratory Judgment  
19 of Patent Invalidation, Noninfringement, and Unenforceability (“Complaint”) against Defendant  
20 Wi-LAN, Inc. (“Wi-LAN”), hereby demands a jury trial and alleges as follows:

21 **NATURE OF THE ACTION**

22 1. This is an action for declaratory judgment of invalidity, noninfringement, and  
23 unenforceability of two United States patents pursuant to the Declaratory Judgment Act, 28  
24 U.S.C. §§ 2201-02, and the Patent Laws of the United States, 35 U.S.C. § 100 *et seq.*, and for  
25 such other relief as the Court deems just and proper.  
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**PARTIES**

2. Plaintiff Aliph is a corporation organized and existing under the laws of the State of California, with its principal place of business at 99 Rhode Island Street, Third Floor, San Francisco, CA 94103.

3. On information and belief, Defendant Wi-LAN is a corporation organized and existing under the laws of Canada, with its principal place of business at 11 Holland Avenue, Suite 608, Ottawa, Ontario, Canada. As alleged herein, Wi-LAN has engaged in various acts in and directed to California.

**JURISDICTION**

4. This Court has exclusive subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a), 1367, 2201 and 2202, and the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*

5. On information and belief, this Court has personal jurisdiction over Wi-LAN because Wi-LAN has constitutionally sufficient contacts with California so as to make personal jurisdiction proper in this Court.

6. This Court may declare the rights and other legal relations of the parties pursuant to 28 U.S.C. §§ 2201 and 2202 because this is a case of actual controversy within the Court’s jurisdiction seeking a declaratory judgment that the Wi-LAN patents are invalid, unenforceable, and not infringed by Aliph.

**VENUE**

7. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and 1400. Aliph has suffered harm in this district, and a substantial part of the events giving rise to the claims alleged herein occurred in this judicial district.

**INTRADISTRICT ASSIGNMENT**

8. This action includes patent-based declaratory judgment claims arising in connection with conduct occurring in or directed to San Francisco County. Moreover, Aliph’s headquarters is located in San Francisco, and Aliph employees with a knowledge of the

1 products likely to be at issue in this litigation are located in San Francisco. Accordingly,  
2 pursuant to Local Rule 3-2(c), assignment to the San Francisco Division is appropriate.

3 **GENERAL ALLEGATIONS**

4 9. Since its founding in 1999, Aliph has revolutionized mobile audio Bluetooth®  
5 products through its innovative technology and design. Aliph was the first company to  
6 successfully introduce noise-suppression technology to the market due to its expertise in  
7 producing and designing earwear. Indeed, Aliph's noise-suppression technology has allowed it  
8 to become the leader in the Bluetooth® headset market with its Jawbone® product line.

9 10. Wi-LAN purports to own U.S. Patent No. 5,515,369 ("the '369 patent"), entitled  
10 "Method for Frequency Sharing and Frequency Punchout in Frequency Hopping  
11 Communications Network," a copy of which is attached as Exhibit A.

12 11. Wi-LAN also purports to own U.S. Patent No. 6,549,759 ("the '759 patent"),  
13 entitled "Asymmetric Adaptive Modulation in a Wireless Communication System," a copy of  
14 which is attached hereto as Exhibit B.

15 12. On information and belief, Wi-LAN acquired the rights to the '369 and '759  
16 patents with the intent to bring suit against other parties, including Aliph. On information and  
17 belief, Wi-LAN currently has no business activity other than the bringing of patent litigation  
18 and licensing of patents.

19 13. On May 20, 2010, Wi-LAN sent Aliph's Chief Executive Officer, Hosain  
20 Rahman, a cease and desist letter, alleging that Aliph's importation, manufacture, use, offers  
21 for sale, and sales of the Jawbone® Icon® and Jawbone® Earcandy® products, and potentially  
22 other Aliph Bluetooth® products, infringe Wi-LAN's '369 and '759 patents. In its letter, Wi-  
23 LAN stated that Aliph "requires a license" to Wi-LAN's patents, and if no license were taken,  
24 threatened to "do what is required to protect our patent rights."

25 14. On information and belief, during prosecution of the '759 patent, the applicants  
26 were aware of prior art that they knew was material to patentability, including prior public  
27 disclosures material to patentability that they deliberately failed to properly disclose to the  
28 USPTO with intent to deceive.

1 15. For example, on or around July 7, 2000, a document entitled “Media Access  
2 Control Layer Proposal for the 802.16.1 Air Interface Specification” was submitted to the  
3 802.16 MAC Subgroup by Glen Slater, of Motorola, and Kenneth L. Stanwood, of Ensemble  
4 Corporation. Kenneth L. Stanwood is a named inventor on the ’759 patent.

5 16. Wi-LAN has asserted the ’369 and ’759 patents and filed suit against numerous  
6 other companies alleging infringement of these patents, made public statements regarding the  
7 alleged applicability of its patents to Bluetooth® products, and has confirmed its willingness  
8 and ability to file suit.

9 17. Aliph has not infringed, and does not infringe, either directly or under the  
10 doctrine of equivalents, one or more valid and enforceable claims of the ’369 or ’759 patents.

11 18. Aliph denies that the ’369 and ’759 patents are valid or enforceable.

12 19. By virtue of these acts, an actual and justiciable controversy exists between the  
13 parties concerning the validity and enforceability of the ’369 and ’759 patents and concerning  
14 Plaintiff’s liability for alleged infringement of any valid claim thereof. Plaintiff now seeks a  
15 declaratory judgment of noninfringement, invalidity and unenforceability of the ’369 and ’759  
16 patents.

## 17 **COUNT I**

### 18 **Declaratory Judgment of Invalidity of the ’369 Patent**

19 20. Aliph incorporates by reference, as though fully set forth herein, the allegations  
20 contained in paragraphs 1-19 of this Complaint.

21 21. Each claim of the ’369 patent is invalid for failure to meet the conditions of  
22 patentability and/or otherwise comply with one of more of the requirements of Title 35, United  
23 States Code, including, but not limited to, 35 U.S.C. §§ 100 *et seq.*, 101, 102, 103, 112 and/or  
24 132.

## 25 **COUNT II**

### 26 **Declaratory Judgment of Invalidity of the ’759 Patent**

27 22. Aliph incorporates by reference, as though fully set forth herein, the allegations  
28 contained in paragraphs 1-21 of this Complaint.

1           23.     Each claim of the '759 patent is invalid for failure to meet the conditions of  
2           patentability and/or otherwise comply with one of more of the requirements of Title 35, United  
3           States Code, including, but not limited to, 35 U.S.C. §§ 100 *et seq.*, 101, 102, 103, 112 and/or  
4           132.

5                                   **COUNT III**

6                                   **Declaratory Judgment of Noninfringement of the '369 Patent**

7           24.     Aliph incorporates by reference, as though fully set forth herein, the allegations  
8           contained in paragraphs 1-23 of this Complaint.

9           25.     Aliph has not directly infringed, contributed to the infringement of, or induced  
10           others to infringe, one or more valid and enforceable claims of the '369 patent either literally or  
11           under the doctrine of equivalents.

12           26.     Aliph has not willfully infringed one or more claims of the '369 patent.

13           27.     As a result of the acts described in the foregoing paragraphs, there exists a  
14           substantial controversy of sufficient immediacy and reality to warrant the issuance of a  
15           declaratory judgment.

16           28.     A judicial declaration is necessary and appropriate so that Aliph may ascertain  
17           its rights regarding the '369 patent.

18                                   **COUNT IV**

19                                   **Declaratory Judgment of Noninfringement of the '759 Patent**

20           29.     Aliph incorporates by reference, as though fully set forth herein, the allegations  
21           contained in paragraphs 1-28 of this Complaint.

22           30.     Aliph has not directly infringed, contributed to the infringement of, or induced  
23           others to infringe, one or more valid and enforceable claims of the '759 patent either literally or  
24           under the doctrine of equivalents.

25           31.     Aliph has not willfully infringed one or more claim of the '759 patent.

26           32.     As a result of the acts described in the foregoing paragraphs, there exists a  
27           substantial controversy of sufficient immediacy and reality to warrant the issuance of a  
28           declaratory judgment.

1           33.     A judicial declaration is necessary and appropriate so that Aliph may ascertain  
2 its rights regarding the '759 patent.

3   **COUNT V**

4                               **Declaratory Judgment of Unenforceability of the '759 Patent**

5           34.     Aliph incorporates by reference, as though fully set forth herein, the allegations  
6 contained in paragraphs 1-33 of this Complaint.

7           35.     The '759 patent is unenforceable because individuals subject to the duty of  
8 candor under 37 C.F.R. 1.56 ("Applicants") engaged in inequitable conduct by withholding or  
9 misstating material information with intent to deceive the United States Patent and Trademark  
10 Office ("USPTO") during prosecution of the '759 patent.

11           36.     During prosecution of the '759 patent, Applicants were aware of prior art that  
12 they knew was material to patentability, including prior public disclosures material to  
13 patentability that they deliberately failed to properly disclose to the USPTO with intent to  
14 deceive.

15           37.     For example, on or around July 7, 2000, a document entitled "Media Access  
16 Control Layer Proposal for the 802.16.1 Air Interface Specification" was submitted to the  
17 802.16 MAC Subgroup by Glen Slater, of Motorola, and Kenneth L. Stanwood, of Ensemble  
18 Corporation. Kenneth L. Stanwood is a named inventor on the '759 patent.

19           38.     Applicants' public disclosures, including those described above, were material  
20 to the patentability of the application that issued as the '759 patent. During prosecution of the  
21 application that issued as the '759 patent, with intent to deceive the USPTO, the applicants  
22 intentionally failed to disclose these public disclosures to the USPTO. Under Wi-LAN's  
23 improper and incorrect applications of the '759 patent's claims, these disclosures constitute  
24 prior art that renders the claims of the '759 patent invalid under 35 U.S.C. §§ 102 and/or 103.

25           39.     As a result of the acts described in the foregoing paragraphs, there exists a  
26 substantial controversy of sufficient immediacy and reality to warrant the issuance of a  
27 declaratory judgment.

1           40.     A judicial declaration is necessary and appropriate so that Aliph may ascertain  
2 its rights regarding the '759 patent.

3  
4   **PRAYER FOR RELIEF**

5           WHEREFORE, Aliph respectfully requests:

6           A.     A Declaratory Judgment that each of the claims of the '369 patent is invalid;

7           B.     A Declaratory Judgment that each of the claims of the '759 patent is invalid;

8           C.     A Declaratory Judgment that Aliph, does not infringe, contribute to the  
9 infringement of, induce the infringement of, or willfully infringe, one or more claim of the '369  
10 patent;

11           D.     A Declaratory Judgment that Aliph, does not infringe, contribute to the  
12 infringement of, induce the infringement of, or willfully infringe, one or more claim of the '759  
13 patent;

14           E.     A Declaratory Judgment that each claim of the '759 patent is unenforceable due to  
15 inequitable conduct;

16           F.     A declaration that this case is exceptional and an award to Aliph of its reasonable  
17 costs and expenses of litigation, including attorneys' fees and expert witness fees;

18           G.     For plaintiff's costs in this action; and

19           H.     Such further relief as the Court may deem just and proper.

20 Dated: July 1, 2010

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