IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

STEELHEAD LICENSING LLC, Plaintiff, v. **CLARO PUERTO RICO, PUERTO RICO TELEPHONE COMPANY, INC., and TELECOMUNICACIONES DE PUERTO RICO, INC., AMERICA MOVIL S.A.B. de C.V.** Defendants.	Civil Num. 13-1030 (SEC) **TRIAL BY JURY DEMANDED**

AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Steelhead Licensing LLC ("Steelhead"), by and through its undersigned counsel, for its Complaint against Claro Puerto Rico ("Claro"), Puerto Rico Telephone Company, Inc. ("PRTC"), Telecomunicaciones de Puerto Rico, Inc. ("TELPRI") and América Móvil S.A.B. d C.V. ("América Móvil"), (collectively, "Defendants"), alleges as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code ("U.S.C.") to prevent and enjoin Defendants from infringing and profiting, in an illegal and unauthorized manner and without authorization and/or consent from Steelhead, from U.S. Patent No. 5,491,834 (the "'834 Patent"), (attached hereto as Exhibit A) pursuant to 35 U.S.C. §271, and to recover damages, attorneys' fees, and costs.

THE PARTIES

2. Plaintiff Steelhead is a Delaware limited liability with its principal place of business at 222 Delaware Avenue, PO Box 25130, Wilmington, DE 19899.

3. Defendants PRTC and TELPRI are wholly owned by América Móvil and are doing business as Claro, and have offices located in 562 Ponce de León Avenue, San Juan, Puerto Rico 00918.

4. Defendant América Móvil is a company organized in Mexico with its principal place of business at Lago Zurich 245, Colonia Ampliación Granada, México, D.F., C.P. 11529.

5. Defendants are in the business of using, selling, offering for sale and/or importing mobile devices.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§1331 and 1338(a) because the action arises under the patent laws of the United States, 35 U.S.C. §§1 et seq.

7. This Court has personal jurisdiction over Defendants by virtue of their systematic and continuous contacts with this jurisdiction, as well as because of the injury to Steelhead and the cause of action Steelhead has raised, as alleged herein.

8. Defendants are subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Puerto Rico Long-Arm Statute, P.R. Laws Ann. tit 32 App. V, R. 3.1(a)(2)., due to at least their substantial business in this forum, including: (i) at least a portion of the infringement alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Puerto Rico.

9. Defendants have conducted and do conduct business within Puerto Rico, directly or through intermediaries, resellers, agents, or offer for sale, sell and/or advertise products in Puerto Rico that infringe the '834 Patent.

10. In addition to Defendants' continuously and systematically conducting business in Puerto Rico, the causes of action against Defendants are connected (but not limited) to Defendants' purposeful acts committed in Puerto Rico, including Defendants' making, using, importing, offering for sale, or selling products which include features that fall within the scope of at least one claim of the '834 Patent.

11. Venue lies in this District under 28 U.S.C. §§1391 and 1400(b) because, among other reasons, Defendants are subject to personal jurisdiction in this District, and have committed and continue to commit acts of patent infringement in this District. For example, Defendants have used, sold, offered for sale, and/or imported infringing products in this District.

JOINDER

12. Defendants are properly joined under 35 U.S.C. §299(a)(1) because a right to relief is asserted against the parties jointly, severally, and in the alternative with respect to the same transactions, occurrences, or series of transactions or occurrences relating to the using, importing into the United States, offering for sale, and/or selling the same accused products. Specifically, as alleged in detail below, Defendants are alleged to infringe the '834 Patent with respect to the same mobile devices.

13. Defendants are properly joined under 35 U.S.C. §299(a)(2). Questions of fact will arise that are common to both defendants, including for example, whether Defendants' products have features that meet the features of one or more claims of the '834 Patent, and what

reasonable royalty will be adequate to compensate the owner of the '834 Patent for its infringement.

14. Defendants Claro, PRTC and TELPRI are wholly-owned subsidiaries of América Móvil. By virtue of América Móvil's ownership of Claro, PRTC and TELPRI, all offer the same mobile devices that infringe on the '834 Patent.

15. Defendants use, sell, offer for sale and/or import mobile devices that, when used, infringe on the '834 Patent.

16. At least one right to relief is asserted against these parties jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences relating to the using, importing into the United States, offering for sale, or selling of the same accused product and/or process.

FACTUAL ALLEGATIONS

17. On February 13, 1996, the United States Patent and Trademark Office ("USPTO") duly and legally issued the '834 Patent, entitled "Mobile Radio Handover Initiation Determination" after a full and fair examination. Steelhead is presently the owner of the patent and possesses all right, title and interest in and to the '834 Patent. Steelhead owns all rights of recovery under the '834 Patent, including the exclusive right to recover for past infringement. The '834 Patent is valid and enforceable.

18. The '834 Patent contains eight independent claims and twelve dependent claims. Defendants commercialize, *inter alia*, methods that perform all the steps recited in one or more claim of the '834 Patent. Defendants make, use, import, and sell or offer for sale telecommunication products, including mobile devices, which encompass one or more of the features recited and which perform all the steps comprised in the patented claims.

19. The invention claimed in the '834 Patent includes a process for determining the manner in which handover is performed in a mobile radio network including a plurality of cells, where each cell is associated with a base station supporting communication with a mobile device.

20. The patented process includes the steps of monitoring the quality of a signal as a function of time respectively transmitted between candidate base stations and the mobile unit. The process further includes producing an indication of either the rise or fall of the signal's quality as a function of time. Handover from a serving base station supporting communication with the mobile unit to another base station is initiated based on the rise or fall in the signal's quality.

21. For example, operators of mobile networks rely on the patented process to handle service associated with their mobile devices. Specifically, Defendants rely on the patented process to determine the manner in which communication service associated with a mobile device is to be handed over from one cell to another.

22. Defendants commercialize mobile devices that support the Universal Mobile Telecommunications System (hereinafter, "UMTS") and/or Long Term Evolution (hereinafter, "LTE") standards. These products will be hereinafter identified as Defendants' UMTS/LTE Products.

23. UMTS is a third-generation (3G) of mobile phone technology for radio systems. It is an integrated solution for mobile voice and data capabilities with wide area coverage. It allows users to send and/or receive text, voice, video, and multimedia files at theoretical transfer rates of up to 2Mbps.

24. LTE is a fourth-generation (4G) wireless broadband technology. LTE provides high-speed communication and data transfer with increased bandwidth capacity. It derives from the GSM/UMTS technologies and is faster than 3G. Unlike earlier mobile technologies, all communication in LTE devices is handled as data.

25. In mobile telephony, it is necessary to maintain an established user connection even if the user is changing locations, or the radio access environment supporting the user is changing, while the connection is still active. "Handover" refers to the transfer of user connection from one access point to another. For Defendants' UMTS/LTE Products, Defendants rely on the patented process to determine mobile device communications for initiating a handover from one cell to another.

DEFENDANTS' INFRINGEMENT

26. Defendants practice patented mobile telecommunications methods with respect to certain mobile telecommunications devices commercialized in this judicial district. Specifically, Defendants practice a method that determines the manner in which handover of service is performed among cells in a mobile network with respect to certain mobile devices.

DEFENDANTS' UMTS/LTE PRODUCTS

27. Defendants' UMTS/LTE Products include, but are not limited to, the BlackBerry Porsche P9981, Verykool S135, LG Optimus 4X HD P880, Motorola XT-389, HTC Explorer, HTC One V, LG Optimus 3D Max, LG Optimus L7, LG Optimus L3, Motorola RAZR MAXX, Verykool s815, BlackBerry Torch 9860, BlackBerry Bold 9900, BlackBerry Curve 9360, BlackBerry Bold 9780, BlackBerry Curve 9300, ZTE MF60 Personal Wifi, iPhone 4S, iPhone 4, iPhone 3GS mobile devices, Motorola RAZR HD, Motorola RAZRi, ZTE MF820 USB 4GLTE, and the iPhone 5 mobile devices.

28. Each Defendants' UMTS/LTE Product forms a mobile terminal that can be used on a mobile radio network such as that provided by a telecommunications company or a carrier. This network is formed by a plurality of cells.

29. Each Defendants' UMTS/LTE Product includes a processor and a memory device with instructions stored therein. Upon execution, these instructions perform a handover determination method in which each of Defendants' UMTS/LTE Products searches for a better cell pursuant to the cell reselection process stated in the UMTS and/or LTE standards.

30. Each Defendants' UMTS/LTE Product, when communicating, maintains an active list of base stations with which the Defendants' UMTS/LTE Product has sufficient signal strength to communicate. The active list of base stations is used by each Defendants' UMTS/LTE Product themselves to initiate cell reselection.

31. Specifically, when Defendants' UMTS/LTE Product is used in a mobile radio network, it receives signals from base stations within range. Defendants' UMTS/LTE Products periodically measure the signals received from base stations in the vicinity for handover determination purposes. Then, each Defendants' UMTS/LTE Product generates an indication of the quality of the received signal. Each device produces a ranking of available base stations based on a set of measured criteria, including but not limited to the quality of each received signal.

32. Pursuant to the UMTS standard, Defendants' UMTS/LTE Products initiate the switch to a new cell (the handover of communication) based on how the new cell is ranked and only if the new cell is ranked higher than the cell currently handling the communication for a given period of time. If the ranking of a potential new cell falls, such drop is an indication of a fall in the measured criteria (e.g., quality).

33. Under the UMTS standard, when Defendants' UMTS/LTE Products identify a better candidate cell, it sends a message to the base station currently servicing the communication. Such message indicates that a switch should occur, such that communication is handed over to the new base station. The message sent by each Defendants' UMTS/LTE Product initiates the handover of service from a current cell to a new, better cell.

34. Under the LTE standard, Defendants' UMTS/LTE Products periodically measure the signals received from base stations in the vicinity for cell section and reselection purposes. Then, each Defendants' UMTS/LTE Product selects a suitable cell based on idle mode measurements and cell selection criteria, including quality of the signal. When camped on a cell, Defendants' UMTS/LTE Product will regularly search for better cells according to the cell selection criteria. For example, if the ranking of the new cell rises above the ranking of the serving cell during a particular time frame, then the characteristics of the potential new cell may rise as a function of time. Conversely, if the ranking of the new cell falls below the ranking of the serving cell during a particular time frame, then the characteristics of the potential new cell may fall as a function of time. Thus, the behavior of the characteristics of the potential new cell over the certain time interval produces an indication of the rise or fall of at least one measurement or criteria as a function of time. If a better cell is found, then that better cell is selected which initiates the handover of Defendants' UMTS/LTE Products from a current cell to the better cell. The initiation of a handover is based on the fact that, for example, the new cell did not fall below the quality of the serving cell during the time frame.

35. The patented method recited in one or more claims of the '834 Patent is performed when a cell reselection is made by any Defendants' UMTS/LTE Product when it is using either the UMTS or LTE standards to communicate.

COUNT 1:
DIRECT INFRINGEMENT OF THE '834 PATENT

36. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 1-35.

37. Taken together, either partially or entirely, the features included in the Defendants' Infringing Products including, but not limited to, Motorola RAZR HD and the HTC One V mobile phones, perform the process recited in one or more claims of the '834 Patent.

38. Defendants directly infringe one or more claims of the '834 Patent by using Defendants' UMTS/LTE Products, which perform the process defined by one or more claims of the '834 Patent. For example, without limitation, Defendants directly infringe at least claim 8 of the '834 Patent by using Defendants' Infringing Products, including use by Defendants' employees and agents, use during testing processes, and use when activating, servicing and/or repairing mobile devices on behalf of customers.

39. Additionally, Defendants directly infringe one or more claims of the '834 Patent by offering to sell Defendants' UMTS?LTE Products and by licensing—to end users in a commercial transaction—software embedded in Defendants' UMTS/LTE Products that performs the process defined by one or more claims of the '834 Patent. For example, without limitation, Defendants directly infringe at least claim 8 of the '834 Patent by offering to sell and conveying Defendants' UMTS/LTE Products to end users including a license to a fully operational software program implementing and thus embodying the claimed method.

40. By engaging in the conduct described herein, Defendants have injured Steelhead and are thus liable for infringement of the '834 Patent, pursuant to 35 U.S.C. §271.

41. Defendants have committed these acts of infringement without license or authorization.

42. To the extent that facts learned in discovery show that Defendants' infringement of the '834 Patent is or has been willful, Steelhead reserves the right to request such a finding at the time of trial.

43. As a result of Defendants' infringement of the '834 Patent, Steelhead has suffered monetary damages and is entitled to a monetary judgment in an amount adequate to compensate for Defendants' past infringement, together with interests and costs.

44. Steelhead will continue to suffer damages in the future unless Defendants' infringing activities are enjoined by this Court. As such, Steelhead is entitled to compensation for any continuing or future infringement up until the date that Defendants are finally and permanently enjoined from further infringement.

45. Steelhead has also suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendants, their officers, directors, agents, servants, employees, attorneys, affiliates, divisions, branches, parents, and those persons in active concert or participation with any of them from directly or indirectly infringing the '834 Patent.

COUNT 2:
INDUCING INFRINGEMENT OF THE '834 PATENT

46. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 1-46.

47. Defendants have had knowledge of infringement of the '834 Patent at least as of the service of the complaint filed on January 14, 2013 (Docket No. 1).

48. Moreover, on January 22, 2013, Defendants were put on notice of their infringement of the '834 Patent by a letter that contained an exemplary presentation showing how Defendant's UMTS/LTE Products infringe the patent-in-suit (Exhibit B).

49. Despite having been put on notice, Defendants have been and still are indirectly infringing by way of inducing others to infringe the '834 Patent in the State of Delaware, in this judicial district, and elsewhere in the United States, by, among other things, illegally making, using, importing, offering for sale, and/or selling, products for performing processes that fall within the scope of one or more claims of the '834 Patent, in violation of 35 USC § 271(b). Such products include, without limitation, the Motorola RAZR HD and the HTC One V mobile phones. For example, Defendants indirectly infringe one or more claims of the '834 Patent by actively inducing its customers, users, subscribers and licensees who directly infringe due to their use of the Motorola RAZR HD and the HTC One V mobile phones.

50. With knowledge of the '834 patent, including knowledge that Defendants' UMTS/LTE Products are specifically designed to infringe the '834 Patent, Defendants actively induce others, such as its customers, users, subscribers, and licensees, to use Defendants' UMTS/LTE Products, including but not limited to, Motorola RAZR HD and the HTC One V mobile phones.

51. Such Defendants' Infringing Products perform all the steps recited in at least claim 8 of the '834 Patent.

52. Furthermore, Defendants indirectly infringe one or more claims of the '834 Patent by actively inducing third-party developers to create applications and/or offer features enabling without limitation, the function to make use of the services offered and sold by Defendants, who directly infringe one or more of the claims of the '834 Patent due to their use of Defendants' Infringing Products.

DEMAND FOR JURY TRIAL

53. Steelhead demands a trial by jury of any and all causes of action.

PRAYER FOR RELIEF

Steelhead respectfully prays for the following relief:

1. That Defendants be adjudged to have infringed directly and indirectly, by inducing other to infringe, the '834 Patent, literally and/or under the doctrine of equivalents;
2. That Defendants, their officers, directors, agents, servants, employees, attorneys, affiliates, divisions, branches, parents, and those persons in active concert or participation with any of them, be preliminarily and permanently restrained and enjoined from directly and/or indirectly infringing the '834 Patent;
3. An award of damages pursuant to 35 U.S.C. §284 sufficient to compensate Steelhead for Defendants' past infringement and any continuing and/or future infringement up until the date that Defendants are finally and permanently enjoined from further infringement, including compensatory damages;
4. An assessment of pre-judgment and post-judgment interests and costs against Defendants, together with an award of such interests and costs, in accordance with 35 U.S.C. §284;
5. That Defendants be directed to pay enhanced damages, including Steelhead's attorneys' fees incurred in connection with this lawsuit pursuant to 35 U.S.C. §285; and
6. That Steelhead have such other and further relief as this Court may deem just and proper.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on this 14th day of February, 2013.

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