

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEBRASKA**

-----X	:	
PRISM TECHNOLOGIES LLC,	:	Civil Action No. 8:12-cv-126-LES-TDT
	:	
Plaintiff,	:	
	:	
v.	:	SECOND AMENDED COMPLAINT
	:	
CELLCO PARTNERSHIP D/B/A/ VERIZON	:	
WIRELESS,	:	JURY TRIAL REQUESTED
	:	IN OMAHA
Defendant.	:	
	:	
-----X		

Plaintiff Prism Technologies LLC, for its Second Amended Complaint against Defendant Cellco Partnership d/b/a Verizon Wireless, upon information and belief as to all other matters, hereby alleges as follows:

THE PARTIES

1. Plaintiff Prism Technologies LLC (“Prism”) is a limited liability company organized and existing under the laws of the State of Nebraska, with its principal place of business at 2323 S. 171st Street, Suite 106, Omaha, Nebraska 68130.

2. Defendant Cellco Partnership d/b/a Verizon Wireless (“Verizon”) is a Delaware corporation with its headquarters at One Verizon Way, Basking Ridge, New Jersey 07920. Verizon is a joint venture of Verizon Communications, Inc. and Vodaphone Group PLC. Verizon Communications Inc. is a Delaware corporation with its principal place of business at 140 West Street, New York, NY 10007. Verizon conducts substantial business in this judicial district.

JURISDICTION AND VENUE

3. This is an action for patent infringement arising under the Patent Act, 35 U.S.C. §§ 101 *et seq.* This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

4. This Court has specific and general personal jurisdiction over Defendant because it has committed acts giving rise to this action within this judicial district and have established minimum contacts within Nebraska and within this judicial district such that the exercise of jurisdiction over Defendant would not offend traditional notions of fair play and substantial justice.

5. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b)-(c) and 1400(b) because Verizon has conducted business in this district and/or provided service and support to Verizon's customers within this district, and has committed acts of patent infringement within this district giving rise to this action.

PRISM AND THE PATENTS

6. Prism's direct predecessor-in-interest, Prism Resources, was founded by Mr. Richard L. Gregg in 1989. In 1996, Mr. Gregg, along with Timothy Goeke, and Sandeep Giri, researched and developed novel systems and methods that included controlling access to protected computer resources. The systems and methods included a server with an associated database to store information that could authenticate a device to determine which device was authorized to access protected resources.

7. Prism Resources proceeded to file various patent applications to protect these and related inventions. On October 30, 2007, United States Letters Patent No. 7,290,288 ("the '288 patent") entitled METHOD AND SYSTEM FOR CONTROLLING ACCESS, BY AN AUTHENTICATION SERVER, TO PROTECTED COMPUTER RESOURCES PROVIDED

VIA AN INTERNET PROTOCOL NETWORK was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the '288 patent is attached hereto as Exhibit A, and is incorporated herein by reference. A true and correct copy of a Certificate of Correction issued by the United States Patent and Trademark Office on September 8, 2009, in connection with the '288 patent is attached hereto as Exhibit B. On August 3, 2010, *Ex Parte* Reexamination Certificate issued and is attached hereto as Exhibit C. On June 7, 2011, a second *Ex Parte* Reexamination Certificate issued and is attached hereto as Exhibit D. On August 23, 2011 and Certificate of Correction issued and is attached hereto as Exhibit E.

8. On February 28, 2012, United States Letters Patent No. 8,127,345 (“the '345 patent”) entitled METHOD AND SYSTEM FOR MANAGING ACCESS TO PROTECTED COMPUTER RESOURCES PROVIDED VIA AN INTERNET PROTOCOL NETWORK was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the '345 patent is attached hereto as Exhibit F, and is incorporated herein by reference.

9. On February 26, 2013, United States Letters Patent No. 8,387,155 (“the '155 patent”) entitled SYSTEM FOR MANAGING ACCESS TO PROTECTED COMPUTER RESOURCES was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the '155 patent is attached hereto as Exhibit G, and is incorporated herein by reference.

10. Prism is the owner and assignee of all right, title and interest in and to the '288 patent, the '345 patent, and the '155 patent, including the right to assert all causes of action arising under said patent and the right to any remedies for infringement of it.

11. Today, various wireless networks allow computer devices, such as smartphones, tablets and mobile broadband cards, to access protected resources of the wireless networks, such

as web servers. These wireless networks implement systems and methods for controlling access to the wireless networks that Prism pioneered and patented.

COUNT I
INFRINGEMENT OF U.S. PATENT NO. 7,290,288

12. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 11 above as if fully set forth herein.

13. Verizon owns, operates, and/or controls one or more wireless networks. On information and belief, Verizon uses, sells and offer for sale various data services provided through its wireless networks.

14. Verizon implements authentication systems and methods for controlling and protecting unauthorized access to its wireless networks.

15. Verizon's authentication systems and methods are used when a computer or wireless device accesses Verizon's wireless network and data services.

16. On information and belief, Verizon's systems and methods for controlling and protecting unauthorized access to its wireless networks and data services operate in the same manner as the authentication systems and methods that Prism pioneered and patented in the '288 patent, '345 patent, and '155 patent.

Verizon's Wireless Network and Data Services

17. Verizon owns, controls, operates and/or uses one or more wireless networks that include a complex infrastructure of network computers and telecommunication systems.

18. On information and belief, Verizon owns, controls, operates and/or uses wireless networks that are based on various technologies including third generation (3G) code division multiple access (CDMA) and fourth generation (4G) services utilizing Long Term Evolution

(LTE) technology (individually and collectively referred to as the Verizon “Wireless Networks”).

19. Verizon owns, controls, operates, uses, sells and/or offers for sale access to its Wireless Networks, including data communications services made available through its Wireless Networks.

20. Verizon’s data communication services, made available through its Wireless Networks, include mobile productivity applications, such as Internet access, messaging and email services; wireless photo and video offerings, location-based capabilities, including asset and fleet management, dispatch services and navigation tools; and mobile entertainment applications, including the ability to view live television, listen to internet radio, download and listen to music, and game play with full-color graphics and polyphonic and real-music sounds from a wireless handset computing device (individually and collectively referred to as Verizon’s “Data Services”).

21. Verizon authorizes customers’ devices to access Verizon’s Wireless Networks and Data Services if customers purchase and/or subscribe to Verizon’s Data Service plans. These Data Service plans include, for example, 1GB, 2GB, 4GB, 6GB, 8GB, 10GB, 12GB, 14GB, 16GB, 18GB, 20GB Shared Data (individually and collectively referred to as Verizon “Data Plans”).

22. On information and belief, Verizon requires all Data Plan subscribers to enter into an agreement (of varying term/length) with Verizon in which customers must comply with Verizon’s terms of use in order to access Verizon’s Wireless Network and Data Services. An exemplary copy of such an Agreement is attached as Exhibit H.

Verizon’s Authentication Systems

23. On information and belief, Verizon's Wireless Network complies with one or more various industry standards, including, for example, CDMA2000 and 3GPP2 standards.

24. Industry standards such as CDMA2000 and 3GPP2 include authentication systems and methods for controlling and protecting access to data resources.

25. Verizon controls and limits unauthorized access to its Wireless Network and Data Services by implementing authentication systems and methods so only authorized devices may access at least a portion of Verizon's Wireless Networks and Data Services (collectively referred to as Verizon's "Authentication Systems").

26. On information and belief, Verizon's Authentication Systems include: one or more access servers, authentication servers, and databases for storing at least the digital identifications associated with customers' wireless devices (e.g., smartphone, tablet or broadband card) and authorized Data Services.

27. On information and belief, Verizon's Authentication Systems requires that any wireless devices used to access Verizon's Data Services include an associated hardware key/access key and digital identification that may be associated with such wireless device.

28. Verizon uses its Authentication Systems when a device accesses the Verizon Wireless Network and Data Services.

29. On information and belief, if customers choose not to subscribe to Verizon's Data Plans, Verizon does not authorize the customers' wireless device(s) to access, at least a portion of, Verizon Wireless Networks and Data Services.

Verizon's Wireless Devices

30. The Wireless Networks and Data Services operated, offered, sold, and marketed by Verizon are accessed by Verizon's customers using a wide variety of wireless devices

including smartphones, mobile broadband devices such as aircards and hotspots, and embedded tablets and laptops manufactured by various suppliers for use with Verizon's Data Services.

31. On information and belief, Verizon, as identified in its Customer Agreement, controls at least portions of the hardware, software and operation of customers' wireless devices to ensure each wireless device can access Verizon's Wireless Network and Data Services by using the systems and methods claimed in the '288 patent. For example, Verizon's Agreement with its customers states "Your wireless device must comply with Federal Communications Commission regulations, be certified for use on our network, and be compatible with your Service." (Exhibit H). Verizon further states in its Agreement with customers:

Please be aware that we may change your wireless device's software, applications or programming remotely, without notice. This could affect your stored data, or how you've programmed or use your wireless device. By activating Service that uses a SIM (Subscriber Identity Module) card, you agree we own the intellectual property and software in the SIM card, that we may change the software or other data in the SIM card remotely and without notice, and we may utilize any capacity in the SIM card for administrative, network, business and/or commercial purposes.

(Exhibit H)

32. On information and belief, Verizon requires that any wireless devices used to access Verizon's Data Services include an associated hardware key/access key and digital identification that may be associated with such wireless device necessary to work with Verizon's Authentication System.

33. At this time, Verizon offers, sells and markets wireless devices capable of accessing Verizon's Data Services. These wireless devices include at least the following examples: Apple iPhone 5, Droid Razr M by Motorola, Samsung Galaxy S III, Intuition by LG, Droid Incredible 4G LTE by HTC, Samsung Galaxy Stellar, Pantech Marauder, HTC Rhyme, Droid Razr Maxx by Motorola, Lucid by LG, Galaxy Nexus by Samsung, BlackBerry Curve 3G

9310, Droid 4 by Motorola, Apple iPhone 4S, Apple iPhone 4, Spectrum by LG, HTC Rezound, Samsung Stratosphere, LG Enlighten, Pantech Breakout, BlackBerry Curve 9370, Droid Charge by Samsung, BlackBerry Bold 9930, HTC Trophy, Xperia Play by Sony Ericsson, Cassio G'zOne Commando, BlackBerry Torch 9850, Samsung Galaxy Tab 2 7.0, Apple iPad, Droid XYBoard 8.2 by Motorola, Droid XYBoard 10.1 by Motorola, Apple iPad 2, Samsung Galaxy Tab 7.7, Samsung Galaxy Tab 10.1, Samsung Galaxy Tab, Verizon Jetpack 4G LTE Mobile Hotspot 890L, Verizon Jetpack 4G LTE Mobile Hotspot MiFi 4620L, Verizon Wireless Fivespot Global Ready 3G Mobile Hotspot, Verizon Wireless 4G LTE USB Modem 551L, Pantech 4G LTE USB Modem UML290, Motorola Xoom 4G LTE, Verizon Jetpack 4G LTE Mobile Hotspot SCH-LC11 and Compaq Mini CQ10-688nr Netbook (collectively "Data Enabled Wireless Devices"). Prism expects, through discovery, to learn of additional devices that are provided sold and/or offered for sale by Verizon that are capable of accessing Verizon's Data Services through its Wireless Networks.

Verizon's Authentication Systems And Methods Infringe Prism's Patents

34. Verizon uses its Authentication Systems to control and protect access to its Wireless Network and Data Services. For example, a Data Enabled Wireless Device that is not associated with a customer subscribing to one of Verizon's Data Plans will not be authorized by Verizon to access at least a portion of Verizon's Wireless Network and Data Services.

35. Verizon's Authentication Systems may further be used to control access to its Wireless Network and Data Services in such a way that Verizon may

without notice, limit, suspend or end your Service or any agreement with you for any good cause, including, but not limited to: (1) if you: (a) breach this agreement; (b) resell your Service; (c) use your Service for any illegal purpose, including use that violates trade and economic sanctions and prohibitions promulgated by any U.S. governmental agency; (d) install, deploy or use any regeneration equipment or similar mechanism (for example, a repeater) to

originate, amplify, enhance, retransmit or regenerate an RF signal without our permission; (e) steal from or lie to us; or, if you're a Postpay customer, (f) do not pay your bill on time; (g) incur charges larger than a required deposit or billing limit, or materially in excess of your monthly access charges (even if we haven't yet billed the charges); (h) provide credit information we can't verify; or (i) are unable to pay us or go bankrupt; or (2) if you, any user of your device or any line of service on your account, or any account manager on your account: (a) threaten, harass, or use vulgar and/or inappropriate language toward our representatives; (b) interfere with our operations; (c) "spam," or engage in other abusive messaging or calling; (d) modify your device from its manufacturer's specifications; or (e) use your Service in a way that negatively affects our network or other customers. We can also temporarily limit your Service for any operational or governmental reason.

(See Exhibit H).

36. On information and belief, Verizon's Wireless Networks implement the systems and methods that are claimed in the '288 patent, including at least claims 186 and 187, when a Data Enabled Wireless Device accesses Verizon's Data Services through Wireless Networks.

37. Verizon has been and now is directly infringing the '288 patent in the State of Nebraska, in this judicial district, and elsewhere in the United States, by implementing systems and methods for controlling Data Enabled Wireless Devices from accessing its Wireless Network and Data Service as claimed in the '288 patent.

38. To the extent others are acting with Verizon to use the systems and methods for controlling access to Verizon's Wireless Network and Data Services, Verizon is the mastermind behind the use of the systems and methods that are implemented for controlling access to Verizon's Wireless Network and Data Services. For example, on information and belief, Verizon requires that Data Enabled Wireless Devices include an access/key hardware key and/or digital identification that is transmitted to Verizon's Wireless Network so that Verizon's Authentication Systems can control and limit use of Verizon's services. (Exhibit H).

39. Further, on information and belief, through its Customer Agreements, Verizon requires that all customers subscribing to a Data Plan use a Data Enabled Wireless Device that works with Verizon's Wireless Network and Data Services. Failure to comply with a Customer Agreement may (at Verizon's discretion) result in termination of services.

40. Verizon and its customers have been and now are jointly infringing the '288 patent in the State of Nebraska, in this judicial district, and elsewhere in the United States, by implementing and using systems and methods for controlling access to Verizon's protected computer resources as claimed in the '288 patent.

41. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

42. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '288 patent, Prism will be greatly and irreparably harmed.

COUNT II
INDIRECT CONTRIBUTORY INFRINGEMENT OF U.S. PATENT NO. 7,290,288

43. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 42 above as if fully set forth herein.

44. On information and belief, when Verizon sells Data Enabled Wireless Devices to customers, Verizon also sells a Data Plan that allows his or her device to access Verizon's Wireless Network and Data Services.

45. On information and belief, the Data Enabled Wireless Devices sold by Verizon necessarily include software and hardware that allows the device to use Verizon's authentication systems and methods controlling access to Verizon's Wireless Network and Data Services. On information and belief, a Data Enabled Wireless Device includes software controlled by Verizon to ensure that the Data Enabled Wireless Device attempts to access Verizon's Wireless Network and Data Services when the Data Enabled Wireless Device is powered-on.

46. On information and belief, these Data Enabled Wireless Devices are specifically designed to work with Verizon's Wireless Network, Data Services and Authentication Systems and have no substantial non-infringing use as sold and authorized by Verizon.

47. Verizon has been and now is indirectly infringing the '288 patent (by contributory infringement) in the State of Nebraska, in this judicial district, and elsewhere in the United States, by making, using, selling and offering to sell Data Enabled Wireless Devices that use and practice the systems and methods claimed in the '288 patent.

48. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

49. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '288 patent, Prism will be greatly and irreparably harmed.

COUNT III
INDIRECT INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 7,290,288

50. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 49 above as if fully set forth herein.

51. On information and belief, Verizon sells Data Enabled Wireless Devices at prices below Verizon's cost to attract and induce new customers to subscribe to Verizon's Wireless Network and Data Services. Verizon offers, sells and markets these Data Enabled Wireless Devices through its web site and through various channels including Verizon agents and other third parties. Further, on information and belief, Verizon sells accessories, such as carrying cases, hands-free devices, batteries, battery chargers and other items to Verizon customers, to Verizon agents and other third-party distributors for resale so that they may be used by Verizon customers (with Data Enabled Devices) who access Verizon's Wireless Networks and Data Services.

52. On information and belief, Verizon markets and sells Data Services and Data Enabled Wireless Devices, targeting groups of retail subscribers: individual consumers, businesses and governments. On information and belief, Verizon uses a variety of sales channels to attract new subscribers of wireless services, including: direct sales representatives whose efforts are focused on marketing and selling wireless data communication services, primarily to mid-sized to large businesses and government agencies; retail outlets owned and operated by or on behalf of Verizon, that focus on sales to the consumer market as well as third-party retailers; indirect sales agents that primarily consist of local and national non-affiliated dealers and independent contractors that market and sell services to businesses and the consumer market, and

are generally paid through commissions; and subscriber-convenient channels, including web sales and telesales.

53. On information and belief, on April 4, 2012, Prism filed a complaint against Verizon alleging infringement of the '288 patent and '345 patent. On April 7, 2012, Verizon received a copy of the April 4, 2012 Complaint and has known of the '288 patent.

54. On information and belief, to the extent others, such as Verizon's customers (and their Data Enabled Devices), are acting with Verizon to use systems and methods for accessing Verizon's Wireless Networks and Data Services, Verizon controls the design, function and operation of its Wireless Networks, including Data Enabled Devices, to ensure that customers' Data Enabled Devices will work with Verizon's systems and methods for controlling access to Verizon's Wireless Networks. Further, on information and belief, Verizon, at least as early as April 7, 2012, has induced and continued to induce others, including its customers, to use Data Enabled Devices to practice one or more steps of the systems and methods claimed in the '288 patent.

55. Verizon has been, at least as early as April 7, 2012, and now is indirectly infringing the '288 patent (by inducement) in the State of Nebraska, in this judicial district, and elsewhere in the United States, by inducing its customers, in combination with Verizon, to continue to use Data Enabled Devices and practice the methods claimed in the '288 patent. Further, on information and belief, at least as early as April 7, 2012, Verizon has recklessly, knowingly, and willfully continued to implement and use systems and methods claimed in the '288 patent and '345 patent to control access to its wireless network and data connection service despite knowing of its infringing activity.

56. On information and belief, this use of Verizon's Authentication Systems by Verizon and its customers have and will continue to occur at Verizon's active behest, and with its intent, knowledge and encouragement, and with Verizon's aid and support to its customers, with knowledge that it is in contravention of Prism's rights under the '288 patent.

57. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

58. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '288 patent, Prism will be greatly and irreparably harmed.

COUNT IV
DIRECT INFRINGEMENT OF U.S. PATENT NO. 8,127,345

59. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 58 above as if fully set forth herein.

60. On information and belief, Verizon's Wireless Network and Data Services use authentication methods that are claimed in the '345 patent, including at least claims 1 and 49.

61. Verizon has been and now is directly infringing the '345 patent in the State of Nebraska, in this judicial district, and elsewhere in the United States, by implementing authentication systems and methods for controlling access to protected computer resources as claimed in the '345 patent.

62. To the extent others are acting with Verizon to use the systems and methods for controlling access to Verizon's Wireless Network and Data Services, Verizon is the mastermind

behind the use of the systems and methods that are implemented for controlling access to Verizon's Wireless Network and Data Services. For example, on information and belief, Verizon requires that Data Enabled Wireless Devices include identity data that is transmitted to Verizon's Wireless Network so that Verizon's Authentication Systems can control and limit use of Verizon's services. (Exhibit H).

63. Further, on information and belief, through its Customer Agreements, Verizon requires that all customer subscribing to a Data Plan use a Data Enabled Wireless Device that works with Verizon's Wireless Network and Data Services. Failure to comply with a Customer Agreement may (at Verizon's discretion) result in termination of services.

64. Verizon and its customers have been and now are jointly infringing the '345 patent in the State of Nebraska, in this judicial district, and elsewhere in the United States, by implementing and using authentication systems and methods for controlling access to protected computer resources as claimed in the '345 patent.

65. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

66. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '345 patent, Prism will be greatly and irreparably harmed.

COUNT V
INDIRECT CONTRIBUTORY INFRINGEMENT OF U.S. PATENT NO. 8,127,345

67. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 66 above as if fully set forth herein.

68. When Verizon sells Data Enabled Wireless Devices to customers, Verizon also sells a Data Plan that allows his or her device to access Verizon's Wireless Network and Data Services.

69. On information and belief, the Data Enabled Wireless Devices sold by Verizon necessarily include software and hardware that allows the device to use Verizon's authentication systems and methods controlling access to Verizon's Wireless Network and Data Services. On information and belief, a Data Enabled Wireless Device includes software controlled by Verizon to ensure that the Data Enabled Wireless Device attempts to access Verizon's Wireless Network and Data Services when the Data Enabled Wireless Device is powered-on.

70. On information and belief, these Data Enabled Wireless Device are specifically designed to work with Verizon's Wireless Network, Data Services and Authentication Systems and have no substantial non-infringing use as sold and authorized by Verizon.

71. Verizon has been and now is indirectly infringing the '345 patent (by contributory infringement) in the State of Nebraska, in this judicial district, and elsewhere in the United States, by making, using, selling and offering to sell Data Enabled Wireless Devices that use and practice the systems and methods claimed in the '345 patent.

72. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court,

and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

73. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '345 patent, Prism will be greatly and irreparably harmed.

COUNT VI
INDIRECT INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 8,127,345

74. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 73 above as if fully set forth herein.

75. On information and belief, Verizon sells Data Enabled Wireless Devices at prices below Verizon's cost to attract and induce new customers to subscribe to Verizon's Wireless Network and Data Services. Verizon offers, sells and markets these Data Enabled Wireless Devices through its web site and through various channels including Verizon agents and other third parties. Further, on information and belief, Verizon sells accessories, such as carrying cases, hands-free devices, batteries, battery chargers and other items to Verizon customers, to Verizon agents and other third-party distributors for resale so that they may be used by Verizon customers (with Data Enabled Devices) who access Verizon's Wireless Networks and Data Services.

76. On information and belief, Verizon markets and sells Data Services and Data Enabled Wireless Devices, targeting groups of retail subscribers: individual consumers, businesses and government. On information and belief, Verizon uses a variety of sales channels to attract new subscribers of wireless services, including: direct sales representatives whose efforts are focused on marketing and selling wireless data communication services; primarily to mid-sized to large businesses and government agencies, retail outlets owned and operated by or

on behalf of Verizon, that focus on sales to the consumer market as well as third-party retailers; indirect sales agents that primarily consist of local and national non-affiliated dealers and independent contractors that market and sell services to businesses and the consumer market, and are generally paid through commissions; and subscriber-convenient channels, including web sales and telesales.

77. On information and belief, on April 4, 2012, Prism filed a complaint against Verizon alleging infringement of the '288 patent and '345 patent. On April 7, 2012, Verizon received a copy of the April 4, 2012 Complaint and has known of the '345 patent.

78. On information and belief, to the extent others, such as Verizon's customers (and their Data Enabled Devices), are acting with Verizon to use systems and methods for accessing Verizon's Wireless Networks and Data Services, Verizon controls the design, function and operation of its Wireless Networks, including Data Enabled Devices, to ensure that customers' Data Enabled Devices will work with Verizon's systems and methods for controlling access to Verizon's Wireless Networks. Further, on information and belief, Verizon, at least as early as April 7, 2012, has induced and continued to induce others, including its customers, to use Data Enabled Devices to practice one or more steps of the systems and methods claimed in the '345 patent.

79. Verizon has been, at least as early as April 7, 2012, and now is indirectly infringing the '345 patent (by inducement) in the State of Nebraska, in this judicial district, and elsewhere in the United States, by inducing its customers, in combination with Verizon, to continue to use Data Enabled Devices and practice the methods claimed in the '288 patent. Further, on information and belief, at least as early as April 7, 2012, Verizon has recklessly, knowingly, and willfully continued to implement and use systems and methods claimed in the

'288 patent and '345 patent to control access to its wireless network and data connection service despite knowing of its infringing activity.

80. On information and belief, this use of Verizon's Authentication Systems by Verizon and its customers have and will continue to occur at Verizon's active behest, and with its intent, knowledge and encouragement, and with Verizon's aid and support to its customers, with knowledge that it is in contravention of Prism's rights under the '345 patent.

81. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

82. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '345 patent, Prism will be greatly and irreparably harmed.

COUNT VII
DIRECT INFRINGEMENT OF U.S. PATENT NO. 8,387,155

83. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 82 above as if fully set forth herein.

84. Verizon has been and now is directly infringing the '155 patent in the State of Nebraska, in this judicial district, and elsewhere in the United States, by implementing authentication systems for controlling access to protected computer resources as claimed in the '155 patent.

85. To the extent others are acting with Verizon to use the systems for controlling access to Verizon's Wireless Network and Data Services, Verizon is the mastermind behind the

use of the systems that are implemented for controlling access to Verizon's Wireless Network and Data Services. For example, on information and belief, Verizon requires that Data Enabled Wireless Devices include identity data that is transmitted to Verizon's Wireless Network so that Verizon's Authentication Systems can control and limit use of Verizon's services. (Exhibit H).

86. Further, on information and belief, through its Customer Agreements, Verizon requires that all customer subscribing to a Data Plan use a Data Enabled Wireless Device that works with Verizon's Wireless Network and Data Services. Failure to comply with a Customer Agreement may (at Verizon's discretion) result in termination of services.

87. Verizon and its customers have been and now are jointly infringing the '155 patent in the State of Nebraska, in this judicial district, and elsewhere in the United States, by implementing and using authentication systems for controlling access to protected computer resources as claimed in the '155 patent.

88. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

89. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '345 patent, Prism will be greatly and irreparably harmed.

COUNT VIII
INDIRECT CONTRIBUTORY INFRINGEMENT OF U.S. PATENT NO. 8,387,155

90. Prism re-alleges and incorporates by reference the allegations set forth in Paragraphs 1 through 89 above as if fully set forth herein.

91. When Verizon sells Data Enabled Wireless Devices to customers, Verizon also sells a Data Plan that allows his or her device to access Verizon's Wireless Network and Data Services.

92. On information and belief, the Data Enabled Wireless Devices sold by Verizon necessarily include software and hardware that allows the device to use Verizon's authentication systems controlling access to Verizon's Wireless Network and Data Services. On information and belief, a Data Enabled Wireless Device includes software controlled by Verizon to ensure that the Data Enabled Wireless Device attempts to access Verizon's Wireless Network and Data Services when the Data Enabled Wireless Device is powered-on.

93. On information and belief, these Data Enabled Wireless Device are specifically designed to work with Verizon's Wireless Network, Data Services and Authentication Systems and have no substantial non-infringing use as sold and authorized by Verizon.

94. Verizon has been and now is indirectly infringing the '155 patent (by contributory infringement) in the State of Nebraska, in this judicial district, and elsewhere in the United States, by making, using, selling and offering to sell Data Enabled Wireless Devices that use and practice the systems claimed in the '155 patent.

95. Prism has been injured by Verizon's infringing activities, and is entitled to recover money damages from Verizon adequate to compensate it for Verizon's infringement, but in no event less than a reasonable royalty together with interest and costs as fixed by the Court, and Prism will continue to suffer damages in the future unless Verizon's infringing activities are enjoined by this Court.

96. Unless a permanent injunction is issued enjoining Verizon and its respective agents, servants, employees, representatives, affiliates, and all others acting in active concert therewith from infringing the '155 patent, Prism will be greatly and irreparably harmed.

PRAYER FOR RELIEF

Wherefore, Prism respectfully requests judgment in its favor and against Defendant, as follows:

- a. A judgment in favor of Prism that Verizon has infringed the '288 patent;
- b. A judgment in favor of Prism that Verizon has infringed the '345 patent;
- c. A judgment in favor of Prism that Verizon has infringed the '155 patent;
- d. A permanent injunction against Verizon and its respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringing the '288 patent;
- e. A permanent injunction against Verizon and its respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringing the '345 patent;
- f. A permanent injunction against Verizon and its respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringing the '155 patent;
- g. A judgment and order requiring Verizon to pay Prism its damages, costs, expenses, and pre- and post-judgment interest for its infringement of the '288 patent as provided under 35 U.S.C. § 284;

- h. A judgment and order requiring Verizon to pay Prism its damages, costs, expenses, and pre- and post-judgment interest for its infringement of the '345 patent as provided under 35 U.S.C. § 284;
- i. A judgment and order requiring Verizon to pay Prism its damages, costs, expenses, and pre- and post-judgment interest for its infringement of the '155 patent as provided under 35 U.S.C. § 284;
- j. A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding to Prism its reasonable attorneys' fees; and
- k. Such other relief in law and equity as this Court may deem just and proper.

DEMAND FOR A JURY TRIAL

Prism demands a trial by jury in Omaha of all issues triable by a jury.

Dated: March 1, 2013

Respectfully submitted,

Kramer Levin Naftalis & Frankel LLP

Jonathan S. Caplan, Esq.
Mark A. Baghdassarian, Esq.
Aaron M. Frankel, Esq.
Marcus A. Colucci, Esq.
1177 Avenue of the Americas
New York, NY 10001
Tel: 212.715.9100
Fax: 212.715.8000
jcaplan@kramerlevin.com
mbaghdassarian@kramerlevin.com
afrankel@kramerlevin.com
mcolucci@kramerlevin.com

Kramer Levin Naftalis & Frankel LLP

Paul Andre, Esq.
Lisa Kobialka, Esq.
990 Marsh Road
Menlo Park, CA 94025
Tel: 650.752.1700
Fax: 650.752.1810
pandre@kramerlevin.com
lkobialka@kramerlevin.com
Attorneys for Plaintiff
Prism Technologies LLC

By: *sl Daniel J. Fischer*

Koley Jessen P.C., L.L.O.

Michael C. Cox, Esq. (17588)
Daniel J. Fischer, Esq. (22272)
1125 S. 103rd St., Suite 800
Omaha, NE 68124
Tel: (402) 390-9500
Fax: (402) 390-9005
mike.cox@koleyjessen.com
dan.fischer@koleyjessen.com

Prism Technologies LLC

André J. Bahou, Esq.
Vice President & Chief IP Officer
878 Arlington Heights Dr., Suite 400
Brentwood, TN 37027
Tel: (615) 712-6580
Fax: (402) 578-1447
aj.bahou@prsmip.com

Attorney for Plaintiff
Prism Technologies LLC

CERTIFICATE OF SERVICE

I hereby certify that on March 1, 2013 I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which sent notification of such filing to all counsel of record.

s/ Daniel J. Fischer