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Samsung Electronics Co., Ltd. and
16 *Samsung Electronics America, Inc.*

17
18 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA

19
20 SAMSUNG ELECTRONICS CO., LTD and)
SAMSUNG ELECTRONICS AMERICA,)
21 INC.)
22 Plaintiffs,)
23 v.)
24 IXI MOBILE (R&D) LTD. and IXI IP,)
LLC,)
25 Defendants.)
26)
27)
28)

CASE NO. _____

**COMPLAINT FOR DECLARATORY
JUDGMENT OF PRECLUSION,
NONINFRINGEMENT, AND
INVALIDITY**

DEMAND FOR JURY TRIAL

1 Plaintiffs Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively,
2 “Samsung”) seek a declaratory judgment that res judicata¹ bars Defendants IXI Mobile (R&D), Ltd.
3 and IXI IP, LLC (collectively, “IXI”) from asserting U.S. Patent No. 7,039,033 (the “’033 Patent”)
4 against Samsung. In the alternative, Samsung seeks a declaratory judgment that (1) Samsung does not
5 infringe the ’033 Patent and (2) the ’033 Patent is invalid.

6 **NATURE OF THE ACTION**

7 1. This is an action for a declaratory judgment arising under the patent laws of the United
8 States, Title 35 of the United States Code. Samsung seeks a declaratory judgment that res judicata
9 bars IXI from asserting the ’033 Patent against Samsung. In the alternative, Samsung seeks a
10 declaratory judgment that Samsung does not infringe the ’033 Patent and that the ’033 Patent is invalid.
11

12 **PARTIES**

13 2. Samsung Electronics Corporation, Ltd. (“SEC”) is based in Seoul, South Korea. SEC
14 designs and manufactures a wide variety of products, including cellular mobile devices.

15 3. Samsung Electronics America, Inc. (“SEA”) is a New York corporation with its
16 principal place of business at 105 Challenger Road, Ridgefield Park, New Jersey 07660.

17 4. On information and belief, Defendant IXI Mobile (R&D) Ltd. (“IXI Mobile (R&D)”),
18 formerly known as IXI Mobile (Israel) Ltd., is a company incorporated and registered under the laws
19 of Israel with a registered address of 11 Moshe Levi Street Lezion 75658, Israel. On information and
20 belief, IXI Mobile (R&D) is a subsidiary of non-party IXI Mobile, Inc. On information and belief, at
21 the time the ’033 Patent was prosecuted, and until at least 2007, IXI Mobile, Inc. and its subsidiary
22 IXI Mobile (R&D) were based in Belmont, California. IXI Mobile (R&D) has alleged that it
23 previously owned the ’033 Patent, and that it now has an exclusive license to the ’033 Patent.
24
25
26

27 _____
28 ¹ “Res judicata” is also commonly known as “claim preclusion.” To avoid confusion with patent
“claims” Samsung uses the term res judicata in this Complaint

1 5. On information and belief, Defendant IXI IP LLC (“IXI IP”) is a New York limited
2 liability company with its principal place of business at 405 Lexington Avenue, New York, New York
3 10174 and with a registered address for service of 1218 Central Avenue, Suite 100, Albany, New York
4 12205. IXI IP has alleged that it is the owner of the ’033 Patent and has exclusively licensed the ’033
5 Patent to IXI Mobile (R&D). On information and belief, IXI IP is a patent licensing entity formed in
6 April 2014 that produces no products, and instead exists solely to assert IXI’s patents.
7

8 **IXI, FOUNDED IN CALIFORNIA, DEVELOPS, PROSECUTES, ENFORCES, AND**
9 **LICENSES ITS PATENTS IN CALIFORNIA**

10 A. **IXI Was Founded in California and Used California Counsel to Prosecute and**
11 **Obtain the ’033 Patent**

12 6. On information and belief, IXI Mobile, Inc. was founded in 2000 and was
13 headquartered in Redwood City or in Belmont, California, both of which are within this District. On
14 information and belief, Defendant IXI Mobile (R&D), the alleged former owner and current exclusive
15 licensee of the ’033 Patent, was a subsidiary of IXI Mobile, Inc., and was also located in Redwood
16 City or in Belmont, California, within this District, until at least 2007. A true and correct copy of IXI
17 Mobile, Inc.’s SEC Form 8-K Report dated August 12, 2008, listing the location of IXI Mobile, Inc.’s
18 headquarters in Belmont, California, is attached hereto as Exhibit A (IXI Mobile, Inc., Current Report
19 (Form 8-k) (Aug. 13, 2008)). IXI has alleged that during the time in which IXI Mobile, Inc. was
20 headquartered in California, IXI Mobile, Inc. and its subsidiary IXI Mobile (R&D) designed,
21 developed, and commercialized products, including the IXI Ogo family of mobile devices that IXI
22 asserts practice the ’033 patent.
23

24 7. On information and belief, IXI retained patent prosecution counsel in California to
25 prosecute and secure the ’033 Patent. The ’033 Patent was prosecuted by the California law firm
26 Vierra Magen Marcus Harmon & DeNiro LLP, located in San Francisco, California.

27 8. The U.S. Patent and Trademark Office (“PTO”) issued the ’033 Patent, titled “System,
28 Device and Computer Readable Medium for Providing Networking Services on a Mobile Device.” on

1 November 13, 2007. A true and correct copy of the '033 Patent is attached as Exhibit B, which
2 includes an *Ex Parte* Reexamination Certificate, issued February 1, 2018, that issued new and
3 amended claims for the '033 Patent, and an *Inter Partes* Review Certificate, issued January 16, 2019,
4 that cancelled multiple claims of the '033 Patent. Exhibit B (U.S. Patent No. 7,039,033).

5 **B. IXI Sued Samsung For Infringing Originally Issued Claims Of The '033 Patent**
6 **In A Case That Was Transferred To And Currently Remains Pending In The**
7 **Northern District of California**

8 9. On June 17, 2014, IXI sued Samsung in the U.S. District Court for the Southern District
9 of New York, alleging that Samsung devices that include “Wireless Hotspot” functionality (the
10 “accused products”) infringe certain originally issued claims of the '033 Patent. *See* Complaint, *IXI*
11 *Mobile (R&D) Ltd. et al. v. Samsung Elecs. Co., Ltd. et al.*, No. 1:14-cv-7954-RJS (S.D.N.Y. June 17,
12 2014), Dkt. No. 1.

13 10. IXI similarly sued Apple Inc. (“Apple”) and BlackBerry Limited and BlackBerry
14 Corporation (collectively, “BlackBerry”), in the Southern District of New York for purportedly
15 infringing the same patents. *See IXI Mobile (R&D) Ltd. et al. v. Apple Inc.*, No. 1:14-cv-7954-RJS
16 (S.D.N.Y. Oct. 2, 2014); *IXI Mobile (R&D) Ltd. et al. v. Blackberry Ltd. et al.*, No. 1:14-cv-4428-RJS
17 (S.D.N.Y. filed Jun. 18, 2014). IXI’s lawsuits against Samsung, Apple, and BlackBerry (the “2014
18 Litigations”) were related, but not consolidated.

19 20 11. On February 3, 2015, Samsung, Apple, and BlackBerry moved to transfer the 2014
21 Litigations from the Southern District of New York to the Northern District of California. On August
22 6, 2015, the Southern District of New York granted the motions and transferred the cases to the
23 Northern District of California. *See* Opinion and Order, *IXI Mobile (R&D) Ltd. et al. v. Apple Inc.*,
24 No. 1:14-cv-7954-RJS (S.D.N.Y. Aug. 6, 2015), Dkt. No. 79. All of the cases were assigned to Judge
25 Gilliam. *See IXI Mobile (R&D) Ltd. et al. v. Apple Inc.*, No. 4:15-cv-3755-HSG (N.D. Cal. filed Aug.
26 17, 2015); *IXI Mobile (R&D) Ltd. et al. v. Samsung Elecs. Co. et al.*, No. 4:15-cv-3752-HSG (N.D.
27
28

1 Cal. filed Aug. 17, 2015); *IXI Mobile (R&D) Ltd. et al. v. Blackberry Ltd. et al.*, No. 4:15-cv-3754-
2 HSG (N.D. Cal. filed Aug. 17, 2015)

3 12. In the 2014 Litigations, Samsung, Apple, and BlackBerry deposed a California-based
4 co-inventor of the '532 and '033 Patents in Palo Alto, California, which is within this District, on July
5 1, 2015.

6
7 **C. Cancellation of IXI's Originally Asserted Claims of the '033 Patent**

8 13. On June 19, 2015, Samsung and Apple filed a petition for *inter partes* review ("IPR")
9 with the Patent Trial and Appeal Board ("PTAB") on all of the originally issued claims of the '033
10 Patent asserted in the 2014 Litigations. *Samsung Elecs. Co., Ltd. et al. v. IXI IP, LLC*, No. IPR 2015-
11 01444 (P.T.A.B. filed Jun. 19, 2015).

12 14. On December 30, 2015, the PTAB instituted review of all of the challenged claims of
13 the '033 Patent in the IPR petition filed by Samsung and Apple. The PTAB subsequently found that
14 all of the instituted claims were obvious.

15 15. IXI appealed the PTAB's final written decision regarding the '033 Patent to the Federal
16 Circuit. On September 10, 2018, the Federal Circuit affirmed the PTAB's decision. *IXI IP, LLC v.*
17 *Samsung Elecs. Co.*, 903 F.3d 1257 (Fed. Cir. 2018). The PTO issued an IPR certificate cancelling
18 the challenged claims of the '033 Patent on January 16, 2019. Ex. B. at 29-30.

19
20 **D. Ex Parte Reexamination of the '033 Patent and IXI's Accusations Against**
21 **Samsung for Infringement of Claims Involved in the Reexamination**

22 16. In March 2017, after the PTAB found all asserted claims of the '033 Patent obvious,
23 and during the pendency of IXI's appeal of that decision to the Federal Circuit, IXI filed a request for
24 *ex parte* reexamination of the '033 Patent.

25 17. On February 1, 2018, the *ex parte* reexamination of the '033 Patent concluded, resulting
26 in one amended claim (claim 56) and 68 new claims (claims 57 through 124) (collectively, the
27 "Reexam Claims"). Ex. B at 24-28.
28

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