IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

APPLE INC., Plaintiff, v. UNIVERSAL SECURE REGISTRY, LLC, Defendant.	C.A. No. 20-_____

COMPLAINT FOR DECLARATORY JUDGMENT OF NONINFRINGEMENT

Plaintiff Apple Inc. ("Apple") files this Complaint for Declaratory Judgment of Noninfringement against Defendant Universal Secure Registry, LLC ("USR") and alleges as follows:

NATURE OF THE ACTION

1. This is an action for a declaratory judgment of noninfringement arising under the patent laws of the United States, Title 35 of the United States Code.

2. Apple is a California corporation with its principal place of business at One Apple Park Way, Cupertino, California 95014. Apple designs, manufactures, and markets mobile communication and media devices and personal computers, and sells a variety of related software, services, accessories, networking solutions, and third-party digital content and applications.

3. Apple's many pioneering and revolutionary products spanning its history include the Macintosh PC (first released in 1984), PowerBook (first released in 1991), Newton (first released in 1993), PowerMac (first released in 1994), iMac (first released in 1998), iPod (first released in 2001), iTunes Store (opened in 2003), MacBook (first released in 2006), iPhone and

Apple TV (first released in 2007), Apple App Store (opened in 2008), Siri (first released in 2010), iPad (first released in 2010), Apple Pay (first released in 2014), Apple Watch (first released in 2015), and AirPods (first released in 2016).

4. The United States Patent and Trademark Office has awarded Apple thousands of patents protecting the technological inventions underlying Apple's groundbreaking products and services. Many well-known functionalities and features of Apple's products were made possible with the inventions of Apple engineers.

5. Defendant USR is a patent holding company focused on patent licensing. USR purports to be the owner of U.S. Patent Nos. 9,947,000 ("'000 patent"), 9,928,495 ("'495 patent"), and 10,163,103 ("'103 patent") (collectively, "the Asserted Patents"). The Chairman and CEO of USR is Kenneth Weiss. Mr. Weiss is a named inventor on the Asserted Patents.

6. Apple does not infringe the Asserted Patents, as set forth below.

7. USR's actions and statements have created a real and substantial controversy that warrants issuance of a declaratory judgment of noninfringement concerning whether Apple infringes the Asserted Patents.

8. This Court should not allow the imminent threat of a lawsuit to harm and cause uncertainty to Apple's business.

PRIOR RELATED PROCEEDING

9. On May 21, 2017, USR filed a complaint for patent infringement against Apple, Visa Inc., and Visa U.S.A. Inc. (collectively, "Visa") styled *Universal Secure Registry LLC v. Apple Inc., et al.*, Case No. 17-585-CFC-SRF ("17-585 Case"). The four patents-in-suit in the 17-585 Case, U.S. Patent Nos. 8,577,813 ("'813 patent"), 8,856,539 ("'539 patent"), 9,100,826 ("'826 patent"), and 9,530,137 ("'137 patent") (collectively, the "17-585 Case Patents"), are all related to one or more of the Asserted Patents in this action for declaratory judgment. The Complaint in the 17-585 Case is attached to this Complaint as Exhibit A.

10. The products accused of infringement in the 17-585 Case included Apple Products that are capable of using Apple Pay or conducting transactions through Apple's iTunes software, including iPhones, and iPads (collectively "Accused Apple Products").[1]

11. The present case is related to the 17-585 Case pursuant to District of Delaware LR 3.1(b)(1) and (2).

12. On August 25, 2017, Apple and Visa moved to dismiss the 17-585 Case under Fed. R. Civ. P. 12(b)(6). Apple and Visa's motion argued that the 17-585 Case Patents were invalid for failure to claim patent-eligible subject matter under 35 U.S.C. § 101.

13. On June 29, 2018, USR's counsel sent a letter to Apple stating that USR "intend[ed] to move to add" the Asserted Patents to the 17-585 Case. That letter is attached to this Complaint as Exhibit B. USR's counsel further affirmed USR's intent to add the Asserted Patents to the 17-585 Case in a letter dated July 23, 2018. In that same letter, USR's counsel expressed USR's intent to serve infringement claim charts on Apple. That letter is attached as Exhibit C.

14. In October 2018, the 17-585 Case was stayed until the Patent Trial and Appeal Board issued final written decisions in post-grant proceedings relating to the 17-585 Case Patents filed in the United States Patent and Trademark Office. The stay concluded in January 2020, after the last of the final written decisions in those post-grant proceedings issued.

15. On June 19, 2020, USR's counsel sent an e-mail to Apple stating that "USR does not intend to move to add new patents" to the 17-585 Case, but that "USR reserves the right to assert additional patents (including patents that issued after the filing date of the complaint in this action) in future cases." A copy of that e-mail is attached as Exhibit D.

16. On June 30, 2020, Judge Connolly issued a Memorandum Opinion and accompanying Order granting Apple and Visa's motion to dismiss the complaint in the 17-585

[1] The specific Apple Products accused of infringement in the 17-585 Case include at least the products USR identified in its May 3, 2018 Initial Identification of Accused Products and Asserted Patents. On information and belief, USR intends to assert infringement by additional products as well (including, but not limited to newer models and/or versions of these products).

Case under Fed. R. Civ. P. 12(b)(6). Judge Connolly's Memorandum Opinion and accompanying Order ruled that all four of the 17-585 Case Patents were invalid under 35 U.S.C. § 101, dismissed the complaint in the 17-585 Case with prejudice, and directed the case to be closed. *See* 17-585 Case, D.I. 168.

THE PARTIES

17. Apple is a California corporation having its principal place of business at One Apple Park Way, Cupertino, California 95014.

18. On information and belief, USR is a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts with its principal place of business at 59 Sargent St. in Newton, Massachusetts 02458.

JURISDICTION AND VENUE

19. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this action involves claims arising under the patent laws of the United States, 35 U.S.C. § 1, *et seq*., and under the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

20. Personal jurisdiction and venue are proper in this Court pursuant to 28 U.S.C. §§ 1391(b), 1391(c), because, on information and belief, USR has directed acts to this District, including acts pertaining to the Asserted Patents.

21. For instance, in connection with USR's business, USR has targeted Apple by asserting infringement of the Asserted Patents as well as other related patents. In particular, USR filed the 17-585 Case in this District alleging infringement by Apple and Visa of patents in the same family as the Asserted Patents.

22. During the 17-585 Case, USR sent correspondence to Apple indicating USR's intent to assert the Asserted Patents either in the 17-585 Case or in some future case. *See* Ex. B-D.

23. USR has also retained the law firm of Morris, Nichols, Arsht & Tunnell LLP ("Morris Nichols"), including lawyers based in this District, to pursue its infringement

allegations against Apple. On information and belief, Morris Nichols attorneys in this District were and are responsible for managing various aspects of the 17-585 Case, including by drafting and filing pleadings, motions, correspondence, and other litigation tasks.

24. On information and belief, Kenneth P. Weiss, the Chief Executive Officer of USR, traveled to this District to attend a hearing relating to Apple and Visa's motion to dismiss in the 17-585 Case.

25. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b) and 1391(c) because a substantial part of the events giving rise to the claims alleged in this Complaint occurred or arose out of litigation occurring in this District and USR has voluntarily subjected itself to the Court's personal jurisdiction with respect to the 17-585 Case.

26. For these and the reasons set forth below, a substantial controversy exists between the parties which is of sufficient immediacy and reality to warrant declaratory relief.

27. USR's actions and allegations, outlined above, have placed a strain on Apple's business and its personnel. USR's present threat to file "future cases" against Apple casts further uncertainty on Apple's business. *See* Ex. D.

THE ASSERTED PATENTS

28. On April 17, 2018, the United States Patent and Trademark Office (the "Patent Office") issued the '000 patent. A true and correct copy of the '000 patent is attached as Exhibit E.

29. On information and belief, Defendant USR purports to be the owner of the '000 patent by assignment. The '000 patent lists Kenneth P. Weiss as the sole named inventor and lists Defendant Universal Secure Registry LLC as the Applicant.

30. As of the filing of this Complaint, no assignment of ownership had been specifically recorded against the '000 patent in the Patent Office's Patent Assignment Database.

31. On March 27, 2018, the Patent Office issued the '495 patent. A true and correct copy of the '495 patent is attached as Exhibit F.

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