### UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS WACO DIVISION

| PARUS HOLDINGS INC., | ) |
|----------------------|---|
| Plaintiff,           | ) |
| v.                   | ) |
| APPLE INC.,          | ) |
| Defendant.           | ) |
|                      | ) |

Civil Action No. 6:19-cv-00432-ADA

JURY TRIAL DEMANDED

#### PARUS HOLDING INC.'S FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Parus Holdings Inc. ("Parus" or "Plaintiff") for its First Amended Complaint for

Patent infringement ("Amended Complaint") against Apple Inc. ("Apple" or "Defendant"),

hereby alleges as follows:

## THE PARTIES

1. Plaintiff Parus Holdings Inc. is Delaware corporation having its principal place of

business at 3000 Lakeside Drive, Suite 110S, Bannockburn, IL 60015.

2. Parus is the owner by assignment of U.S. Patent No. 7,076,431 ("the '431

Patent") (attached as Exhibit 1) and U.S. Patent No. 9,451,084 ("the '084 Patent") (attached as

Exhibit 2).

3. Defendant Apple Inc. is a California corporation with a principal place of

business at One Apple Park Way, Cupertino, California 95014.

4. Apple is registered to do business in Texas.

Google Exhibit 1017 Google v. Parus

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5. Apple has regular and established places of business in this District, including, at 3121 Palm Way, Austin, Texas, 2901 S. Capital of Texas Hwy., Austin, TX, and 12535 Riata Vista Circle, Austin, Texas, and 5501 West Parmer Lane, Austin, Texas. Apple employs thousands of people, including hundreds of engineers, who work at these locations in Texas. The work done at these Apple locations in Texas includes work related to Apple's iPhones, iPads, iPods and Mac products.

6. Apple also operates brick-and-mortar Apple Stores at Barton Creek Square, Austin, Texas and at Apple Domain Northside, Austin, Texas. Apple uses, offers for sale and sells Apple's iPhones, iPads, iPods and Mac products that include Siri functionality at these Apple Stores.

7. On information and belief, Apple can be served through its registered agent, CT Corporation System, 818 W. Seventh Street, Suite 930, Los Angeles, California, 90017.

8. Apple has placed or contributed to placing infringing products like the iPhone X into the stream of commerce via an established distribution channel knowing or understanding that such products would be sold and used in the United States, including in the Western District of Texas. On information and belief, Apple also has derived substantial revenues from infringing acts in the Western District of Texas, including from the sale and use of infringing products like the iPhone X.

9. Defendant had constructive notice of the '431 Patent based on Parus's marking at least as of June 18, 2007.

10. Defendant had constructive notice of the '084 Patent based on Parus's marking at least as of February 21, 2018.

#### JURISDICTION AND VENUE

11. This is an action for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code. Accordingly, this Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

12. This Court has specific personal jurisdiction over Defendant at least in part because Defendant conducts business in this Judicial District. Parus's causes of action arise, at least in part, from Defendant's contacts with and activities in the State of Texas and this Judicial District. Upon information and belief, each Defendant has committed acts of infringement within the State of Texas and this Judicial District by, *inter alia*, directly and/or indirectly using, selling, offering to sell, or importing products that infringe one or more claims of the '431 Patent and/or the '084 Patent.

13. Defendant has committed acts within this District giving rise to this action, and have established sufficient minimum contacts with the State of Texas such that the exercise of jurisdiction would not offend traditional notions of fair play and substantial justice.

14. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b), (c), and 1400(d) because (1) Defendant has done and continues to do business in this Judicial District, and (2) Defendant has committed and continues to commit acts of patent infringement in this Judicial District by, *inter alia*, directly and/or indirectly using, selling, offering to sell, or importing products that infringe one or more claims of the '431 Patent and/or the '084 Patent.

#### <u>COUNT I</u>

#### APPLE'S INFRINGEMENT OF U.S. PATENT NO. 7,076,431

15. Parus restates and incorporates by reference all of the allegations made in the preceding paragraphs as though fully set forth herein.

16. Parus is the owner, by assignment, of U.S. Patent No. 7,076,431. A true copy ofU.S. Patent No. 7,076,431 granted by the U.S. Patent & Trademark Office is attached as Exhibit1.

17. Defendant Apple has directly infringed, and is continuing to directly infringe, literally or under the doctrine of equivalents, at least independent claim 1 of Parus's '431 Patent by making, using, selling, and/or offering for sale its Apple smartphone devices with Siri in the United States, in violation of 35 U.S.C. § 271(a).

18. At least as of the filing of the original complaint, Defendant Apple has knowledge of the '431 Patent.

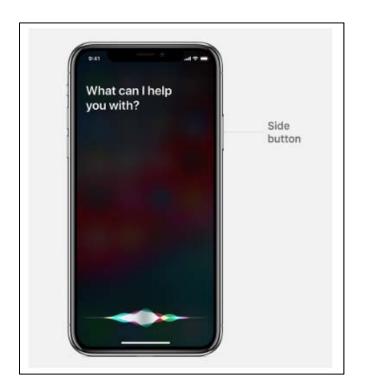
19. Further, on information and belief, Apple had and/or has a policy or practice of not reviewing the patents of others (including instructing its employees to not review the patents of others), and has thus remained willfully ignorant of Parus's patent rights. *See, e.g.*, Apple Ordered to Pay \$370 Million Because Its Engineers Ignored Patents When They Built Face Time, Yahoo Finance, Nov. 7, 2012 (quoting VirnetX attorney during closing arguments as saying "Apple says they don't infringe. But Apple developers testified that they didn't pay any attention to anyone's patents when developing their system.").

20. Defendant Apple's acts of direct infringement of the '431 Patent are willful, and have caused and will continue to cause substantial damage and irreparable harm to Parus, and Parus has no adequate remedy at law.

21. Various products with Siri made or sold by Apple directly infringe at least independent claim 1 of the '431 Patent. Those Apple products include at least the Apple iPhone X or later models, the Apple iPhone 6s or later models, iPad Pro 12.9 inch (3<sup>rd</sup> Generation), iPad Pro 11-inch, iPad Pro 12.9-inch (2<sup>nd</sup> Generation), iPad Pro 10.5 inch, iPad Pro 9.7 inch, iPad (6<sup>th</sup>

Generation), all Apple iWatches, all HomePods, CarPlay, MacBook Pro (15 inch, 2018), MacBook Pro (13-inch, 2018, Four Thunderbolt 3 Ports), MacBook Air (Retina, 13-inch, 2018), and iMac Pro. (Apple Accused Products). *See e.g.*, <u>https://support.apple.com/en-us/HT209014</u>.

22. Each of the Apple Accused Products in conjunction with Siri is a system for retrieving information from pre-selected web sites by uttering speech commands into a voice enabled device and providing users with retrieved information in an audio form via said voice enabled device as required by claim 1 of the '431 Patent. As a way of illustration, the Apple iPhone X with Siri is a voice enabled device that allows users to utter speech commands into a voice enabled device and provide users with retrieved information from pre-selected web sites in an audio form via said voice enabled device.



See e.g., https://support.apple.com/en-us/HT204389.

23. Siri allows the user to communicate with the iPhone X using voice recognition

and speech synthesis.

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