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|---|---|--|-------------------|--------------|
| 1 2 3 4 5 6 7 8 9 10 11 12 13 | FAEGRE DRINKER BIDDLE & RHelen E. Chacon (CA SBN: 293067)1950 University Ave, Suite 450East Palo Alto, CA 94303-2279Telephone: (650) 324-6700Facsimile: (650) 324-6701Email: helen.chacon@faegredrinker.ccR. Trevor Carter (pro hac vice pending)300 North Meridian Street, Suite 2500Indianapolis, IN 46024-1750Telephone: (317) 237-0300Facsimile: (317) 237-1100Email: helen.chacog@faegredrinker.ccEmail: helen.chacog@faegredrinker.ccJD Schneider (pro hac vice pending)1144 15th Street, Suite 3400Denver, CO 80202Telephone: (303) 607-3500Facsimile: (303) 607-3600Email: jd.schneider@faegredrinker.ccCounsel for Plaintiff Linquet Technolog | com ig)) 0 <u>om</u> n | | |
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| 15 | UNITED STATES DISTRICT COURT | | | |
| 16 | | NORTHERN DISTRICT OF CALIFORNIA | | |
| 17 | LINQUET TECHNOLOGIES, INC., | (| Case No.: 3:20-cv | -5153 |
| 18 | Plaintiff, | | COMPLAINT F | |
| 19 | v. | | INFRINGEMEN | Τ |
| 20 | TILE, INC., | | | |
| 21 | Defendant. | | DEMAND FOR . | JURY TRIAL |
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Plaintiff Linquet Technologies, Inc. ("Linquet"), for its complaint against Defendant Tile, Inc. ("Tile"), alleges as follows:

NATURE OF THE ACTION

1. This is a civil action for infringement of U.S. Patent No. 10,163,318 (the "'318 Patent"). A true and correct copy of the '318 Patent is attached hereto as Exhibit A.

I.

II. <u>THE PARTIES</u>

2. Linquet realleges and incorporates by reference, as if fully set forth herein, the allegations in paragraph 1, above.

3. Linquet is a corporation organized and existing under the laws of Canada with a principal place of business at 2604-950 Cambie St., Vancouver, British Columbia.

4. Upon information and belief, Tile is a privately held company, incorporated and organized under the laws of the State of Delaware. Tile is registered and conducts business in the State of California with a principal place of business at 2121 South El Camino Real, Suite 900, San Mateo, California 94403.

III. JURISDICTION AND VENUE

5. Linquet realleges and incorporates by reference, as if fully set forth herein, the allegations in paragraphs 1–4, above.

6. This Court has exclusive subject matter jurisdiction over this action pursuant to 28U.S.C. §§ 1331 and 1338(a).

7. Venue is proper in this District under 28 U.S.C. § 1400(b). Tile has committed acts of patent infringement complained of herein in this District, and Tile has a regular and established place of business in this District.

8. This Court has personal jurisdiction over Tile. Tile's principal place of business is in this District, and Tile regularly conducts business in this District. Tile has purposefully availed itself of the privilege of conducting activities within this District, and Tile's activities in this District are continuous and systematic and give rise to the liabilities sued upon herein. On information and belief, Tile's activities in this District include, *inter alia*, making, selling, and/or offering to sell infringing products in this District, and marketing and advertising infringing products in this District. On

information and behalf, Tile does extensive business within the State of California and this District and earns substantial revenue through its contacts with this District.

IV. FACTUAL BACKGROUND

9. Linquet realleges and incorporates by reference, as if fully set forth herein, the allegations in paragraphs 1–8, above.

A. Background on Linquet

10. Founded in 2010, Linquet is an innovator in location technologies solutions, including, in particular, cloud-based/community-based solutions for locating and protecting mobile devices, keys, pets, luggage, and other items.

11. In April 2012, Linquet released the first cloud-based solution for protecting and tracking mobile devices and other items. Public praise for Linquet's innovative solution was swift and widespread, with positive press in publications including the Huffington Post, Techvibes, and TheNextWeb, and, soon thereafter, the New York Times and CNBC.

12. Linquet currently offers its innovative products and services for sale online (<u>www.linquet.com</u>) and through various third parties. In addition, the Linquet app is available for iOS and Android devices through the Apple and Google app stores.

13. Linquet's innovative solution permits users to attach Linquet tags to items (*e.g.*, keys, wallets, luggage, pets, etc.) they wish to protect and locate. When the tag attached to the owner's item goes out-of-range, the owner's mobile device and/or tag attached to the item alarm, preventing the owner from forgetting or losing/misplacing the item. In addition, Linquet uploads the time and location to the cloud in real-time, giving the owner the ability to locate the item at a later time. Using the Linquet network, if another Linquet user passes within range of a tag attached to a misplaced item, the item's location will be automatically, anonymously, and securely uploaded to the cloud, and the owner can be notified. Furthermore, a tag attached to an item is privately detectable by another Linquet user's mobile device when the tag is out-of-range of the owner's mobile device, greatly increasing the privacy, efficiency, and scalability of Linquet's innovative solution.

B. The '318 Patent

14. Linquet has invested heavily in developing its innovative cloud-based solution to protect and locate items. In doing so, Linquet has acquired an array of intellectual property rights, including but not limited to multiple patent rights for its innovations. Those patents include, for example, the '318 Patent, which are and have been published at https://linquet.com/patents since at least December 25, 2018.

15. The '318 Patent, entitled "COMPREHENSIVE SYSTEM AND METHOD OF UNIVERSAL REAL-TIME LINKING OF REAL OBJECTS TO A MACHINE, NETWORK, INTERNET, OR SOFTWARE SERVICE," was duly and legally issued to Mr. Pooya H. Kazerouni on December 25, 2018. Mr. Kazerouni is the founder of Linquet and currently serves as its President.

16. The '318 Patent includes claims, including at least claims 1 and 2, that cover Linquet's innovative products and services for sale online (<u>www.linquet.com</u>) and through various third parties.

17. On information and belief, at the time of the '318 Patent, there existed, for example, no cloud-based community-powered solutions for protecting and locating mobile devices, keys, luggage, pets, and other items, as claimed and disclosed in the '318 Patent, including as claimed in at least claims 1 and 2 of the '318 Patent. To solve this problem, Mr. Kazerouni created the novel system claimed and disclosed in the '318 Patent.

18. As part of this novel system, for example, when a wireless tag attached to an item goes out-of-range of the owner's mobile device, the system automatically uploads the time and location to the cloud in real-time, giving the owner the ability to locate the item at a later time. (*See, e.g.,* '318 Patent, 8:49–9:14; 28:10–26, claim 1.) If another user's mobile device passes within range of a misplaced item, the system enables the item's location to be automatically, anonymously, and securely uploaded to the cloud, thereby allowing the owner to be notified. (*See, e.g.,* '318 Patent, 27:42–57; 28:27–38, claim 1.) In addition, the novel system allows a wireless tag to become detectible by another user's mobile device when the wireless tag goes out-of-range of the owner's mobile device. (*See, e.g.,* '318 Patent, 27:42–57; 28:39:52, claim 2.)

19. At least based on the above, it is apparent that the claims of the '318 Patent, including as a whole and where applicable in ordered combination, presented a technical solution and

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improvement over the prior art, including using the claimed elements in a non-conventional, nongeneric, and non-routine manner to arrive at a novel technical solution. In fact, the Examiner considered this novel system as being allowable over the "closest prior art," explaining that this "prior art fails to disclose each and every claimed limitation, alone, or in reasonable combination with other references, in the context as claimed." (*See* Oct. 4, 2018, Notice of Allowability, at 2–4, 8.) Moreover, throughout prosecution, the Examiner never rejected any claims of the '318 Patent as being directed to patent ineligible subject matter under 35 U.S.C. § 101. (*See generally id.*) The claims of the '318 Patent amount to an inventive concept for overcoming the particular problems noted above, including, but not limited to, in connection with a private, efficient, and scalable community-based solution for protecting and locating items.

C. Tile and Its Infringing Activities

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20. Despite its pioneering innovations, Linquet has struggled to obtain significant sales or funding. On information and belief, this is at least partly due to Tile's infringing products and services, which, as described in more detail in § V, below, include substantially the same features as Linquet's innovative solution, shown, for example, at the following link: as https://www.youtube.com/watch?v=zzpkWFhOqIk. Tile's infringing products include, for example and without limitation, the Tile Sticker, Tile Slim, Tile Pro, Tile Mate, and Tile embeddable technology (collectively, "Tile's Tags"), which are designed for use with Tile's App/Software and Tile's cloud, which include, for example, Tile's community find feature. Hereinafter, Tile's Tags, Tile's App/Software, and Tile's cloud, are collectively referred to as the "Tile System."

21. As described in more detail in § V, below, Tile has infringed and continues to infringe directly, jointly, contributorily, and/or by inducement one or more claims of the '318 Patent by its actions in connection with the Tile System.

22. Tile's past and ongoing infringement is significant. According to Tile, the Tile System is the "world's best-selling Bluetooth tracker," having sold over 30 million units, which constitute 80% of the U.S. retail market share. <u>https://www.thetileapp.com/en-us/about-tile</u>. Public sources suggest that between 2016 and 2018, Tile generated at least \$100 million per year in revenue. <u>https://venturebeat.com/2017/05/16/tile-raises-25-million-and-crosses-10-million-bluetooth-</u>

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