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24 QUALCOMM INCORPORATED

25 UNITED STATES DISTRICT COURT  
26 SOUTHERN DISTRICT OF CALIFORNIA

27 QUALCOMM INCORPORATED,

28 Plaintiff,

v.

APPLE INCORPORATED,

Defendant.

Case No. '17CV2398 LAB MDD

**COMPLAINT FOR PATENT  
INFRINGEMENT**

**[DEMAND FOR A JURY  
TRIAL]**

1 Plaintiff Qualcomm Incorporated (“Qualcomm”), by its undersigned  
2 attorneys, alleges, with knowledge with respect to its own acts and on information  
3 and belief as to other matters, as follows:

4 NATURE OF THE ACTION

- 5 1. Qualcomm brings this action to compel Apple to cease infringing  
6 Qualcomm’s patents and to compensate Qualcomm for Apple’s extensive  
7 infringement of several patented Qualcomm technologies.
- 8 2. Qualcomm is one of the world’s leading technology companies and a  
9 pioneer in the mobile phone industry. Its inventions form the very core of modern  
10 mobile communication and enable modern consumer experiences on mobile devices  
11 and cellular networks.
- 12 3. Since its founding in 1985, Qualcomm has been designing, developing,  
13 and improving mobile communication devices, systems, networks, and products. It  
14 has invented technologies that transform how the world communicates. Qualcomm  
15 developed fundamental technologies at the heart of 2G, 3G, and 4G cellular  
16 communications, is one of a handful of companies leading the development of the  
17 next-generation 5G standard, and has developed numerous innovative features used  
18 in virtually every modern cell phone.
- 19 4. Qualcomm also invests in technologies developed by other companies  
20 and has acquired companies (and their patented innovative technologies) as part of  
21 its emphasis on supporting innovation. Qualcomm’s patent portfolio currently  
22 includes more than 130,000 issued patents and patent applications worldwide.  
23 Hundreds of mobile device suppliers around the world have taken licenses from  
24 Qualcomm.
- 25 5. Apple is the world’s most profitable seller of mobile devices. Its  
26 iPhones and other products enjoy enormous commercial success. But without the  
27 innovative technology covered by Qualcomm’s patent portfolio, Apple’s products  
28 would lose much of their consumer appeal. Apple was a relatively late entrant in the

1 mobile device industry, and its mobile devices rely heavily on the inventions of  
2 Qualcomm and other companies that Qualcomm has invested in. Nearly a decade  
3 before Apple released the iPhone, Qualcomm unveiled its own full-feature, top-of-  
4 the-line smartphone. According to CNN's 1999 holiday buying guide, Qualcomm's  
5 pdQ 1900 "lets you make calls, keep records, send email, browse the web and run  
6 over a thousand different applications, all while on the go. Although a cell phone, it  
7 is one of the first truly portable, mobile and multipurpose Internet devices."<sup>1</sup> While  
8 Qualcomm no longer markets phones directly to consumers, it continues to lead the  
9 development of cutting-edge technologies that underpin a wide range of important  
10 wireless-device features. Other companies, like Apple, now manufacture and  
11 market phones that feature Qualcomm's innovations and the innovations of other  
12 technology pioneers that Qualcomm invested in.

13         6. Qualcomm's innovations in the mobile space have influenced all  
14 modern smartphones, and Apple—like other major mobile device makers—utilizes  
15 Qualcomm's technologies. Qualcomm's patented features enable and enhance  
16 popular features that drive consumer demand, for example: power-efficient radio  
17 frequency (RF) transceiver technologies that support enhanced carrier aggregation,  
18 improve battery life, and reduce signal interference; innovative designs for  
19 components of processors and memory arrays that decrease power consumption and  
20 improve device performance; and advanced image processing techniques that allow  
21 users to recreate photographic effects that typically require bulky and expensive  
22 camera equipment , among many others.

23         7. In short, Qualcomm invented many core technologies that make the  
24 iPhone (and other smartphones and mobile devices) desirable to consumers in their  
25 daily lives.

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<sup>1</sup> <http://edition.cnn.com/1999/TECH/ptech/12/03/qualcomm.pdq/>

1           8.       While Apple built the most successful consumer products in history by  
2 relying significantly on technologies pioneered by Qualcomm, Apple refuses to pay  
3 for those technologies. Apple’s founder boasted that Apple “steals” the great ideas  
4 of others—specifically, that “we have always been shameless about stealing great  
5 ideas.”<sup>2</sup> Apple employees likewise admit that Apple—a relatively late entrant in the  
6 mobile space—did not invent many of the iPhone’s features. Instead, Apple  
7 incorporated, marketed, and commercialized the work of others: “I don’t know how  
8 many things we can come up with that you could legitimately claim we did first. . . .  
9 We had the first commercially successful version of many features but that’s  
10 different than launching something to market first.”<sup>3</sup>

11           9.       Rather than pay Qualcomm for the technology Apple uses, Apple has  
12 taken extraordinary measures to avoid paying Qualcomm for the fair value of  
13 Qualcomm’s patents. On January 20, 2017, Apple sued Qualcomm in this district,  
14 asserting an array of excuses to avoid paying fair-market, industry-standard rates for  
15 the use of certain of Qualcomm’s pioneering patents that are critical to a modern  
16 smartphone like the iPhone. *See* Case No. 3:17-cv-00108-GPC-MDD. Apple also  
17 encouraged the companies that manufacture the iPhone to breach their contracts  
18 with Qualcomm by refusing to pay for the Qualcomm technology in iPhones,  
19 something that those manufacturers had done for many years, without complaint,  
20 before Apple’s direction to stop. Further, Apple misled governmental agencies  
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23 <sup>2</sup> Interview with Steve Jobs, available at  
24 <https://www.youtube.com/watch?v=CW0DUg63lqU> (“Picasso had a saying, ‘good  
25 artists copy, great artists steal.’ And we have always been shameless about stealing  
26 great ideas.”).

27 <sup>3</sup> April 2010 email from Apple’s iPhone Product Marketing Manager, Steve  
28 Sinclair, reported in: Rick Merritt, *Schiller ‘shocked at ‘copycat’ Samsung phone*,  
Embedded (Aug. 3, 2012), <http://www.embedded.com/print/4391702> (April 21,  
2017 snapshot of page, accessed via Google’s cache)

1 around the world into investigating Qualcomm in an effort to indirectly exert  
2 leverage over Qualcomm.

3 10. Many of Qualcomm's patents are essential to certain cellular or other  
4 standards ("Standard Essential Patents"), such that the use of an underlying  
5 technological standard would require use of the patent. Qualcomm also owns a  
6 wide range of non-standard-essential patents for inventions in various technologies  
7 related to mobile devices.

8 11. In this suit, Qualcomm asserts a set of non-standard-essential patents  
9 infringed by Apple's mobile electronic devices. The patents asserted in this suit  
10 represent only a small fraction of the Qualcomm non-standard-essential patents that  
11 Apple uses without a license.

12 12. Qualcomm repeatedly offered to license its patents to Apple. But  
13 Apple has repeatedly refused offers to license Qualcomm's patents on reasonable  
14 terms. Qualcomm therefore seeks to enforce its rights in the patents identified  
15 below and to address and remedy Apple's flagrant infringement of those patents.

16 PARTIES

17 13. Qualcomm is a Delaware corporation with its principal place of  
18 business at 5775 Morehouse Drive, San Diego, California. Since 1989, when  
19 Qualcomm publicly introduced Code Division Multiple Access ("CDMA") as a  
20 commercially successful digital cellular communications standard, Qualcomm has  
21 been recognized as an industry leader and innovator in the field of mobile devices  
22 and cellular communications. Qualcomm owns more than 130,000 patents and  
23 patent applications around the world relating to cellular technologies and many  
24 other valuable technologies used by mobile devices. Qualcomm is a leader in the  
25 development and commercialization of wireless technologies and the owner of the  
26 world's most significant portfolio of cellular technology patents. Qualcomm derives  
27 a substantial portion of its revenues and profits from licensing its intellectual  
28

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