IMBM Jeffer Mangels Butler & Mitchell LLP

72639671v1

Case No.2:24-cv-08769

Plaintiff 1LSS Inc. ("1LSS") brings this action against Defendant Apple Inc. ("Apple" or "Defendant").

THE PARTIES

- 1. 1LSS is, and at all times relevant hereto was, a corporation duly organized and existing under the laws of the state of California, with its principal place of business at 719 S. Los Angeles Street, Suite 714 Los Angeles, CA 90014.
- 2. 1LSS is informed and believes and thereon alleges that defendant Apple Inc. is, and at all times relevant hereto was, a corporation organized under the laws of the State of California, with a principal place of business at One Apple Park Way, Cupertino, California, 95014 and a place of business in this judicial district at 10250 Santa Monica Blvd, Los Angeles, CA 90067.
- 3. 1LSS is informed and believes and thereon alleges that Defendant conducts business within this judicial district at the Apple Store located at 10250 Santa Monica Blvd, Los Angeles, CA 90067, including making, using, selling, offering for sale, or importing into the United States the infringing products at or from this facility.

JURISDICTION AND VENUE

- 4. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. § 271.
- 5. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338(a)-(b) because it involves substantial claims arising under the patent laws.
- 6. 1LSS, Inc. is informed and believes and thereon alleges that Defendant conducts business at 10250 Santa Monica Blvd, Los Angeles, CA 90067, including making, using, selling, offering for sale, shipping, or importing the infringing products at or from this facility, which is located in this judicial district. Thus, this Court has personal jurisdiction over Defendant and venue is proper in this court pursuant to 28 U.S.C. § 1400(b) because, among other things, Defendant has a regular

6

7 8

9

10

111213

14

15

16 17

1819

2021

22

2324

2526

27

28

and established place of business in this judicial district and Defendant has committed acts of infringement, including the infringing acts complained of herein.

GENERAL ALLEGATIONS

- 7. On January 9, 2024, the United States Patent and Trademark Office issued United States Patent Number 11,864,641, entitled "Magnetically Coupled Wallet Accessory for Mobile Device" (hereinafter "the '641 Patent"). A true and correct copy of the '641 Patent is attached hereto as **Exhibit A.**
- 8. 1LSS is the assignee of the '641 Patent and the owner of the entire right, title, and interest in and to the '641 Patent.
 - 9. The '641 Patent pertains to a wallet for attachment to a mobile device.
- 10. For over a decade 1LSS has provided, and continues to provide, innovative solutions for mobile electronic display device accessories and mounts, including wallet attachments for a mobile device such as those manufactured by Apple. See https://magbak.com/. As part of this innovation, 1LSS has developed a mobile device accessory including an accessory device having an arrangement of magnets of alternating polarity are included within the accessory device or attached to the surface. The arrangement of magnets are magnetically coupleable to a device-side attachment including a plurality of magnets. The device-side attachment may be attached to a mobile device or part of a protective case for the mobile device. 1LSS has obtained patent protection over this inventive technology, including the '641 Patent, which was granted by the U.S. Patent and Trademark Office on January 9, 2024. This patent represents a significant investment of time and resources in developing inventive technology that filled a significant need in the industry.
- 11. 1LSS is informed and believes and based thereon alleges that Apple began competing with 1LSS in providing wallet attachments for a mobile devices by manufacturing and selling MagSafe line of wallets for attachment to mobile devices

as claimed in the '641 Patent (hereinafter the "Infringing Product"), as shown below.¹



- 12. Apple has been actively advertising the Infringing Product, touting the product throughout a variety of markets and to numerous audiences. 1LSS is informed and believes that Defendants sell their Infringing Product in the same marketing channels, including advertising on Google, and all other social media platforms.
- 13. On February 9, 2024, 1LSS notified Apple by letter that Apple's MagSafe brand of magnetic wallets may be utilizing the technology claimed in the '641 Patent. Subsequently, on February 28, 2024 1LSS provided Apple with a claim chart illustrating how 1LSS's technology as recited in claim 1 of the '641 Patent is being used in Apple's MagSafe brand of magnetic wallets.
- 14. Notwithstanding 1LSS's notification of its patented technology as set forth in the '641 Patent and in conscious disregard of 1LSS's intellectual property

 $[\]frac{^{1} \, \text{https://www.apple.com/shop/product/MA6X4ZM/A/iphone-finewoven-wallet-with-magsafe-deep-blue?fnode=9a426d5dab22d37f6cd4867e991ac3be7f2a0c8a18454997ba1876e5df9b1484ebad36d764f921ca2a432d994bcea2121d2cb419480cbd8538d421b10cd783356311e167ec6457815e69a7b43a7928c0b8220e1f0ba03bc516214547ce44fc7f91da43931e10e7f7205733344bbb410c\&fs=f%3Dwallet%26fh%3D12b2bf%252B4667(accessed October 7, 2024).}$

2

3

4

5

6

7

8

9

10

11

13

14

15

16

17

18

19

20

21

22

23

24

26

27

28

rights as set forth herein, Apple has continued to make, use, offer for sale and sell the Infringing Product in the United States and this judicial district and in direct competition with 1LSS.

FIRST CAUSE OF ACTION

Patent Infringement of the '641 Patent

(35 U.S.C. §§ 101 et seq.)

- 15. 1LSS realleges and incorporates by reference all paragraphs above as if fully set forth herein.
- 16. At all times herein mentioned the '641 Patent was and is valid and fully enforceable.
- 17. Apple, by the acts complained of herein, and by making, using, selling, offering for sale, and/or importing in the United States, including in the Central District of California, the Accused Product embodying the invention, has in the past, does now, and continues to infringe the '641 Patent directly, contributorily, and/or by inducement, literally and/or under the doctrine of equivalents, in violation of 35 U.S.C. § 271.
- 18. At least since February 9, 2024, Apple has had actual knowledge of the '641 Patent.
- 19. Apple has and continues to directly infringe the '641 Patent by making, using, offering for sale, selling and importing the Infringing Product in conjunction with MagSafe wallets competitive to 1LSS. By doing so, Apple has directly infringed at least claim 11 of the '641 Patent as illustrated in non-limiting example attached hereto as **Exhibit B.**
- 20. At no time has 1LSS granted Apple authorization, license, or permission to utilize the inventions claimed in the '641 Patent.
- 21. 1LSS has been damaged by Apple's acts of infringement of the '641 Patent and 1LSS will continue to be damaged by such infringement unless enjoined by this Court. 1LSS is entitled to recover damages adequate to compensate for the

infringement under 35 U.S.C. § 284.

- 22. On information and belief, at least since February 9, 2024, Apple has knowingly and actively induced the infringement of one or more of the '641 Patent claims by, inter alia, marketing, promoting, and offering for use the Infringing Product, knowingly and intending that its use by Apple's customers and by users infringes the '641 Patent. *See e.g.*, promotional video on Amazon.²
- 23. On information and belief, at least since February 9, 2024, Apple has contributed to the infringement of the '641 Patent by, inter alia, marketing and promoting the Infringing Product. Apple has used and promoted within the United States the Infringing Product. By virtue of incorporating the patented technology described above, the Accused Product is not a staple article or commodities of commerce suitable for substantial non-infringing use and are known by Apple to be especially made or especially adapted to the infringe the '641 Patent. As a result, Apple's Accused Product has been used by its customers and by users to infringe the '641 Patent. Apple continues to engage in acts of contributory infringement of the '641 Patent.
- 24. 1LSS is, and has been, irreparably harmed by Apple's on-going infringement including the following harm which cannot be quantified or recouped through monetary damages: (1) lost market share that will be difficult, if not impossible, to recoup later as the Infringing Product becomes entrenched with retail sellers, (2) loss of first mover advantage that 1LSS enjoyed as the first company to offer its MagSafe wallet, (3) loss of 1LSS's investment in building up the market for MagSafe wallets, (4) negative effect on its reputation as innovator and pioneer, (5) the unquantifiable effect on lost sales of related products, (6) diversion of resources to defend against loss of market share caused by sales of the Infringing Product, and

 $\begin{bmatrix} 27 \\ 28 \end{bmatrix}$

https://www.amazon.com/vdp/0ba69f2c28c44365874ee771751225e8?ref=dp_vse_i bvc0 (accessed October 7, 2024).

5

4

7 8

9

1011

12 13

1415

16 17

19 20

18

222324

21

2627

28

25

(7) Apple's unauthorized sales that are enticing others to offer for sale and sell competing infringing products that leads to additional irreparable harm described above.

25. Apple's acts of infringement have been, and continue to be, willful and deliberate and therefore warrant the award of attorneys' fees pursuant to 35 U.S.C. § 285 and the enhancement of damages pursuant to 35 U.S.C. § 284.

PRAYER FOR RELIEF

WHEREFORE, 1LSS prays for judgment as follows:

- A. For an order finding that the '641 Patent is valid and enforceable;
- B. For an order finding that Apple has infringed the '641 Patent directly, literally or by equivalents, in violation of 35 U.S.C. § 271;
 - C. For an order finding that Apple's infringement is willful;
- D. For an order temporarily, preliminarily and permanently enjoining Apple, its officers, directors, agents, servants, affiliates, employees, subsidiaries, divisions, branches, parents, attorneys, representatives, privies, and all others acting in concert or participation with any of them, from infringing the '641 Patent directly, contributorily and/or by inducement, in violation of 35 U.S.C. § 271;
- E. For an order directing Apple to file with the Court, and serve upon 1LSS's counsel, within thirty (30) days after entry of the order of injunction, a report setting forth the manner and form in which it has complied with the injunction;
- F. For an order awarding 1LSS damages adequate to compensate 1LSS for the infringement by Apple, including disgorgement of profits or gains of any kind made by Apple from their infringing acts, lost profits and/or reasonable royalty, in amounts to be fixed by the Court in accordance with proof, including enhanced and/or exemplary damages, as appropriate under 35 U.S.C. § 284;
- G. For an order awarding 1LSS pre-judgment interest and post-judgment interest at the maximum rate allowed by law;
 - H. For an order requiring an accounting of the damages to which 1LSS is

1 | found to be entitled;

- I. For an order declaring this to be an exceptional case pursuant to 35 U.S.C. § 285 and awarding 1LSS its attorneys' fees;
 - J. For an order awarding 1LSS its costs of court; and
- K. Granting 1LSS such other and further relief as the Court may deem just and proper.

DATED: October 11, 2024 STANLEY M. GIBSON GREGORY S. CORDREY JEFFER MANGELS BUTLER & MITCHELL LLP

GREGORY S. CORDREY
Attorneys for Plaintiff 1LSS Inc.

DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury on all issues so triable.

DATED: October 11, 2024

STANLEY M. GIBSON GREGORY S. CORDREY JEFFER MANGELS BUTLER & MITCHELL LLP

By:

GREGORY S. CORDREY Attorneys for Plaintiff 1LSS Inc.