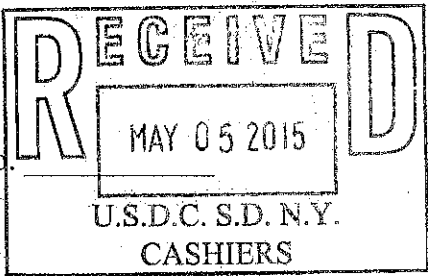


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IN UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

ON TRACK INNOVATIONS LTD.,  
an Israeli company )  
)  
)  
Plaintiff and )  
Counterclaim-Defendant, )  
)  
v. )  
)  
T-MOBILE USA, INC., )  
a Delaware corporation )  
)  
Defendant and )  
Counterclaimant. )

Case No.



**DEMAND FOR JURY TRIAL**

**COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff On Track Innovations Ltd. ("OTI Ltd." or "Plaintiff"), by and through its undersigned counsel, hereby brings this action for patent infringement under the laws of the United States relating to patents, 35 U.S.C. §§1 et seq., against Defendant T-Mobile USA, Inc., hereby alleging as follows:

**PARTIES**

1. Plaintiff OTI Ltd. is an Israeli company with a principal place of business in Rosh-Pina, Israel.
2. Upon information and belief, Defendant T-Mobile USA, Inc. ("T-Mobile") is a Delaware corporation with a principal place of business at 12920 SE 38th St., Bellevue, Washington 98006.

## **JURISDICTION AND VENUE**

3. This Court has exclusive subject matter jurisdiction pursuant to 28 U.S.C. §§1331 and 1338(a) because this action arises under the patent laws of the United States.

4. Upon information and belief, Defendant T-Mobile has submitted to the personal jurisdiction of this Court by committing acts that establish its legal presence within the State of New York, including acting directly to sell and offer for sale to New York residents infringing products that practice, embody, and/or facilitate unauthorized use of the claimed inventions of the patent-in-suit. Upon information and belief, T-Mobile has also generally acted to place these infringing products into the stream of commerce with the intent, purpose, and reasonably foreseeable result of supplying the New York market therewith. By virtue of its above-described actions, T-Mobile has transacted business (as that term is construed under N.Y. C.P.L.R. §§ 301 and 302(a)(1)), performed services, contracted to supply services, caused tortious injury, regularly done or solicited business, engaged in a persistent course of conduct, and/or derived substantial revenues from infringing products used in New York. In light of T-Mobile's aforementioned contacts with the State of New York and its purposeful availment of the rights and benefits of New York law, maintenance of this suit in this Court would not offend traditional notions of fair play and substantial justice.

5. Venue is proper in this judicial district pursuant to 28 U.S.C. §§1391(b), (c), and (d) and 1400(b) because, inter alia, a substantial part of the events or omissions giving rise to the claim occurred in this judicial district, Defendant T-Mobile is subject to personal jurisdiction in and therefore resides in this judicial district, and T-Mobile has committed acts of patent infringement and has a regular presence in this judicial district.

**COUNT I**  
**INFRINGEMENT OF U.S. PATENT NO. 6,045,043**

6. On April 4, 2000, United States Patent No. 6,045,043 (“the ‘043 patent”), entitled “Contact/contactless data transaction card,” was duly and legally issued by the United States Patent and Trademark Office to inventors Oded Bashan, Nehemya Itay, Ronnie Gilboa and Moshe Aduk. OTI Ltd. is the sole owner by assignment of the entire rights, title, and interest in and to the ‘043 patent, including the rights to sue on and recover damages for any past, current, or future infringements thereof. A true and correct copy of the ‘043 patent is attached hereto as Exhibit A.

7. Upon information and belief, T-Mobile participated in Softcard (formerly known as Isis), a joint venture that allowed phone subscribers to pay for purchases through contactless payments between a phone and a payment terminal.

8. On or about November 14, 2013, T-Mobile publicly announced the launch of the Isis Mobile Wallet. A printout of T-Mobile’s website page entitled Isis Mobile Wallet FAQ is attached as Appendix B.

9. Upon information and belief, T-Mobile sold and offered to sell to its subscribers phones having Near Field Communications (NFC) capabilities (“NFC-capable phones”), including without limitation at least the following: HTC One, LG Optimus F6, LG G2, Samsung Galaxy S Relay 4G, Samsung Galaxy S2, Samsung Galaxy S3, Samsung Galaxy S3 LTE, Samsung Galaxy S4, Samsung Galaxy Light, Samsung Note 2, Samsung Note 3, and Sony Xperia Z (See Exhibit B).

10. Upon information and belief, in order to operate within the Softcard mobile payment environment, T-Mobile’s NFC-capable phones were required to be fitted with an Advanced SIM card (See Exhibit B).

11. OTI filed a complaint for infringement of the '043 Patent in March 2012 (the "First Lawsuit").

12. Between the filing of the complaint and at least the close of fact discovery in the First Lawsuit, T-Mobile fitted subscribers' NFC-capable phones only with Advanced SIM cards purchased from Gemalto.

13. In a decision dated March 25, 2015 in the First Lawsuit, this Court found that T-Mobile's NFC-capable phones fitted with Advanced SIM cards complying with Single Wire Protocol (SWP) based on ETSI TS 102 613 infringe the '043 Patent.

14. In December 2013, after the close of fact discovery and after OTI submitted its expert report on infringement in the First Lawsuit, T-Mobile began purchasing Advanced SIM cards from Giesecke & Devrient ("G&D") for use in subscribers' NFC phones.

15. Upon information and belief, the G&D Advanced SIM cards comply with Single Wire Protocol (SWP) based on ETSI TS 102 613.

16. Upon information and belief, T-Mobile's NFC-capable phones when fitted with a G&D Advanced SIM card infringe the '043 Patent for substantially the same reasons as the Gemalto Advanced SIM cards.

17. Upon information and belief, in or about March 2015, Softcard became inactive, and T-Mobile ceased distributing Advanced SIM cards to subscribers with NFC-capable phones.

#### **Direct Infringement**

18. Upon information and belief, T-Mobile's sale and offer for sale of NFC-capable phones with G&D Advanced SIM cards constituted direct infringement, under 35 U.S.C. § 271(a), literally and/or under the doctrine of equivalents, of at least claim 1 of the '043 patent in this judicial district, and elsewhere in the United States.

19. The filing of a complaint on March 26, 2012 on the '043 Patent constituted notice to T-Mobile, pursuant to 35 U.S.C. § 287.

**Indirect Infringement**

20. T-Mobile sold, distributed, and/or offered to sell and distribute G&D Advanced SIM cards to its subscribers and instructed them to fit the G&D Advanced SIM card into their NFC-capable phones. (See Exhibit B).

21. T-Mobile actively encouraged subscribers to visit T-Mobile's retail stores to receive an Advanced SIM card to be fitted into their NFC-capable phones. (See Exhibit B). Those Advanced SIM cards included the G&D Advanced SIM cards.

22. Upon information and belief, the only substantial use for the G&D Advanced SIM card by subscribers having NFC-capable phones is insertion into an NFC-capable phone.

23. Upon information and belief, T-Mobile sold or distributed G&D Advanced SIM cards to subscribers with NFC-capable phones with the intent that these G&D Advanced SIM cards be inserted into NFC-capable phones.

24. Upon information and belief, the combination of T-Mobile's NFC-capable phones and G&D Advanced SIM cards constituted infringement, literally and/or under the doctrine of equivalents, of at least claim 1 of the '043 patent in this judicial district, and elsewhere in the United States.

25. Upon information and belief, T-Mobile has been aware of the '043 Patent since approximately March 2012.

26. Upon information and belief, T-Mobile knew that insertion of a G&D Advanced SIM card into an NFC-capable phone constituted patent infringement, and therefore, it actively and knowingly intended to induce infringement of the '043 patent by its subscribers.

27. Upon information and belief, T-Mobile has actively induced infringement of the '043 Patent by its subscribers since approximately December 2013, when it began purchasing the G&D Advanced SIM cards for use by its subscribers.

28. T-Mobile's sale, distribution, and/or offer for sale and distribution of G&D Advanced SIM cards to subscribers with NFC-capable phones constituted active inducement, under 35 U.S.C. § 271(b), literally and/or under the doctrine of equivalents, of at least claim 1 of the '043 patent in this judicial district, and elsewhere in the United States.

29. The filing of a Complaint on March 26, 2012 for infringement of the '043 Patent constituted notice to T-Mobile, pursuant to 35 U.S.C. § 287.

**Injury to OTI Ltd.**

30. OTI Ltd. has been damaged by T-Mobile's infringement of the '043 patent in an amount to be determined at trial.

31. OTI Ltd. is entitled to recover damages adequate to compensate it for such infringement, but in no event less than a reasonable royalty.

**JURY DEMAND**

Pursuant to Federal Rule of Civil Procedure 38(b), the OTI Ltd. hereby demands a trial by jury as to all claims and other issues so triable in this action.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff OTI Ltd. respectfully requests that the Court, upon final hearing of this matter, grant the following relief against Defendant T-Mobile:

- A. A judgment that T-Mobile has infringed the '043 patent;
- B. An award to OTI of damages adequate to compensate OTI for the infringement by T-Mobile, but in no event less than a reasonable royalty for the use made of the inventions of the '043 patent by T-Mobile, together with costs, and interest thereon;
- C. Increased damages as permitted under 35 U.S.C. § 284; and
- D. Such other and further relief as the Court deems just and proper.

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