

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN**

SPRINT SOLUTIONS, INC. and	)	
SPRINT COMMUNICATIONS	)	
COMPANY L.P.,	)	
	)	Civil Action No.: 2:15-cv-10876-
Plaintiffs,	)	MAG-APP
	)	
v.	)	
	)	
ANTWAN JAMAR CANNADY,	)	
	)	
Defendant.	)	
	)	

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**DEFAULT FINAL JUDGMENT AND PERMANENT INJUNCTION  
AGAINST DEFENDANT ANTWAN JAMAR CANNADY**

Plaintiffs Sprint Solutions, Inc. and Sprint Communications Company L.P. (collectively “Sprint” or “Plaintiffs”), brought the above-captioned lawsuit against Defendant Antwan Jamar Cannady alleging that Defendant is engaged in the unauthorized and deceptive bulk acquisition and resale of specially-manufactured wireless telephones designed for use on Sprint’s wireless service, which Sprint offers under various Sprint brands, including Sprint, Sprint Prepaid, Boost Mobile, Virgin Mobile, PayLo and Assurance Wireless (collectively “Sprint Phones” or “Phones”) through several methods, including credit mule fraud; the theft of Sprint’s investment in the Phones; the unlawful access of Sprint’s protected computer systems and wireless network; the trafficking of Sprint’s protected and confidential computer passwords; and the willful infringement of Sprint’s

trademark rights (collectively, the “Bulk Handset Trafficking Scheme” or the “Scheme”).

As alleged in the Complaint and not denied by Defendant, Defendant perpetrates the Scheme by, *inter alia*, searching out and using “credit mules” to obtain new Sprint Phones, which he resells for his own profit. Defendant and his co-conspirators, often called “handlers,” “coaches,” and “recruiters,” approach individuals on the street, often students and the unemployed or underemployed, and lure them with an offer to make easy money. Defendant convinces these individuals to sign up for Sprint service and acquire as many new Phones and other Sprint equipment as allowed with money provided by Defendant under the false assurance that their obligations will automatically terminate or that they can easily cancel the accounts. The credit mules are provided a small commission when they turn over the new Sprint product to Defendant. In some cases, Defendant and his co-conspirators acquire the Sprint Phones with the knowledge and intent that the Phones will be computer-hacked. The purpose of this hacking, or “unlocking,” is to disable software installed in the Phones by the manufacturers at the request and expense of Sprint, which enables activation of the Sprint Phones exclusively on Sprint’s wireless system. The illegally obtained and in some cases unlocked Phones are trafficked and resold as new by Defendant under the Sprint trademarks. Defendant’s Scheme causes tremendous harm to Sprint.

Sprint Phones are sold subject to terms and conditions (“Terms and Conditions”) which conspicuously restrict and limit the sale and use of the Phones. These Terms and Conditions are set forth in printed inserts that are packaged with each Phone and are posted on Sprint’s website. Pursuant to the Terms and Conditions of Sprint Phones, purchasers agree, among other things: (a) to pay the service charges and other related fees; (b) to activate the Sprint Phones on the Sprint CDMA network; (c) not to resell the Sprint Phones and related products and services; and (d) not to use the Phones for a purpose that could damage or adversely affect Sprint.

As a result of Defendant’s involvement in the Scheme, Sprint asserted claims against Defendant for common law unfair competition, tortious interference with business relationships and expectancy, tortious interference with contractual relations, conspiracy to commit fraud and fraudulent misrepresentation, unjust enrichment, common law fraud and fraudulent misrepresentation, violations of the Computer Fraud and Abuse Act, 18 U.S.C. § 1030, *et seq.*, federal trademark infringement under 15 U.S.C. § 1114, federal common law trademark infringement and false advertising under 15 U.S.C. § 1125(a)(1)(A) and (B), contributory trademark infringement, common law conversion and statutory conversion under M.C.L. § 600.2919a, violations of the Michigan Consumer Protection Act, M.C.L. § 455.901, and for an accounting.

Based on the undisputed positions advocated by Plaintiffs, and having reviewed the Complaint and file and being otherwise duly and fully advised in the premises, it is hereby,

**ORDERED, ADJUDGED and DECREED** that:

1. This Court has jurisdiction over all the parties and all of the claims set forth in Sprint's Complaint.
2. Sprint has the right to use and enforce rights in the standard character Sprint® mark and stylized Sprint® Virgin Mobile, payLo, Assurance Wireless and Boost Mobile trademarks (collectively, the "Sprint Marks"), as depicted below:



Sprint uses the Sprint Marks on and in connection with its telecommunications products and services. The Sprint Marks are valid, distinctive, protectable, famous, have acquired secondary meaning, and are associated exclusively with Sprint.

3. The Terms and Conditions and the language in and on the packaging constitute a valid and binding contract enforceable between Sprint and each of its

customers. The Terms and Conditions set forth certain rights and restrictions on the use of Sprint Phones. Among other things, the Terms and Conditions: (a) require that the customer pay applicable service charges and other related fees; (b) indicate that the Phone is designed to be activated on the Sprint CDMA network; (c) prohibit resale of Sprint Phones and related products and services; and (d) prohibit using the Phones for a purpose that could damage or adversely affect Sprint, for which Sprint is entitled to relief.

4. The conduct set forth in the Complaint constitutes the following violations: trafficking in computer passwords, 18 U.S.C. § 1030(a)(6) (Count 1); unauthorized access, 18 U.S.C. § 1030(a)(5)(C) (Count 2); unauthorized access with intent to defraud, 18 U.S.C. § 1030(a)(4) (Count 3); federal trademark infringement, 15 U.S.C. § 1114 (Count 4); federal common law trademark infringement and false advertising, 15 U.S.C. § 1125(a)(1)(A) and (B) (Count 5); contributory trademark infringement (Count 6); common law unfair competition (Count 7); tortious interference with business relationships and expectancy (Count 8); tortious interference with contractual relations (Count 9); conspiracy to commit fraud and fraudulent misrepresentation (Count 10); unjust enrichment (Count 11); common law fraud and fraudulent misrepresentation (Count 12); conversion (Count 13); violations of the Michigan Consumer Protection Act, M.C.L. § 455.901 (Count 14); statutory conversion under M.C.L. § 600.2919a (Count 15);

and for an accounting (Count 16); and such conduct has caused substantial and irreparable harm to Sprint, and will continue to cause substantial and irreparable harm to Sprint unless enjoined.

5. Sprint has suffered damages, including loss of goodwill and damage to its reputation, as a result of Defendant's conduct that far exceeds the \$5,000 aggregate annual damages under the Computer Fraud and Abuse Act.

6. On review and consideration of all relevant factors, Sprint is entitled to damages and injunctive relief on the claims as set forth in the Complaint.

7. The Court finds that Defendant unlawfully trafficked in at least 181 new Sprint Phones and Products. For each new Sprint Smartphone that Sprint sells its investment and expected revenue from the Phone averages \$1,919 and for each new Sprint feature phone that Sprint sells, its investment and expected revenue for the Phone averages \$961. When a new Sprint Phone is unlawfully trafficked through Defendant's use of a credit mule or otherwise, Sprint loses its investment and does not receive the expected revenue, which reduces its profits and increases Sprint's costs. Sprint's damages resulting from Defendant's acquisition and resale of new Sprint Phones add up to at least:  $(\$961 \times 7 \text{ feature phones}) + (\$1,919 \times 181 \text{ smart phones}) = \$325,281.00$  + 8 various high-end Products valued at approximately \$1,406.99. Therefore, the total damages resulting from Defendant's fraudulent acquisitions of Sprint Phones and Products are \$326,687.99. In light of Defendant's willful violations of the Lanham

Act and affirmative absence from this case, and because Sprint's damages uncovered by their investigation are modest compared to the likely damage caused by Defendant, which has been hampered by Defendant's refusal to participate, the Court will treble these damages to \$980,063.97.

8. Sprint is also entitled to an award of its reasonable attorneys' fees in the amount of \$23,428.50.

9. Sprint is also entitled to an award of reasonable investigation fees in the amount of \$9,756.25.

10. Final default judgment is hereby entered against Defendant Antwan Jamar Cannady, and in favor of Sprint, on all of the claims set forth in Sprint's Complaint in the principal amount of \$1,013,248.72 which shall bear interest at the legal rate, for which let execution issue forthwith.

11. For all Sprint brands, now and in the future, Defendant and all of his past and present agents, employees, personal representatives, and all other persons or entities acting or purporting to act for him or on his behalf, including, but not limited to, any corporation, partnership, proprietorship or entity of any type that is affiliated or associated with Defendant or Defendant's representatives, agents, assigns, employees, contractors, associates, servants, and any and all persons and entities in active concert and participation with Defendant who receive notice of this Order, shall be and hereby are PERMANENTLY ENJOINED from:

- a. acquiring, purchasing, selling, unlocking, reflashing, altering, advertising, soliciting and/or shipping, directly or indirectly through credit mules or others, any Sprint Phones or Products;
- b. supplying Sprint Phones to or facilitating or in any way assisting other persons or entities who Defendant knows or should know are engaged in the acquisition or sale of Sprint Phones or Products or hacking, altering, erasing, tampering with, deleting or otherwise disabling the software installed in Sprint Phones or Products;
- c. engaging in any of the conduct described in the Complaint as the “Bulk Handset Trafficking Scheme;”
- d. supplying Sprint Phones or Products to or facilitating or in any way assisting other persons or entities who Defendant knows or should know are engaged in any of the acts prohibited under this Permanent Injunction, including, without limitation, the acquisition, buying and/or selling of Sprint Phones and Products;
- e. contacting Sprint Customer Service lines and/or Sprint Business Care (directly or indirectly) for the purposes of obtaining Sprint Phones and/or Products and/or Sprint services;



- f. contacting Asurion Protection Services, LLC or any other Sprint equipment insurance provider (directly or indirectly) for the purposes of obtaining Sprint Phones and/or Products and/or Sprint services; and,
- g. knowingly using the Sprint Marks or any other trademark, service mark, trade name and/or trade dress owned or used by Sprint now or in the future, or that is likely to cause confusion with Sprint's Marks, without Sprint's prior written authorization.

12. Pursuant to the Lanham Act, Defendant shall deliver and turn over all Sprint Phones and Products in his possession, or subject to his custody or control, bearing or infringing any Sprint trademark or confusingly similar copy thereof, to Sprint within ten (10) days of the date of this Default Final Judgment.

13. The acquisition, sale or shipment of any Sprint Phone or Product, directly or indirectly through credit mules or others, without Sprint's prior written consent within or outside of the continental United States shall be deemed a presumptive violation of this injunction.

14. The Court retains jurisdiction to enforce any violation of the terms of this Default Final Judgment and Permanent Injunction. Any violation shall result in an order finding the Defendant in contempt and requiring payment of

compensatory damages to Sprint in an amount of \$5,000 for each Sprint Phone or Product that Defendant is found to have acquired, sold or unlocked in violation of this Injunction. The Court finds that these amounts are compensatory and will serve to compensate Sprint for its losses in the event Defendant violates the terms of this Order.

15. The address of Plaintiffs is 6200 Sprint Pkwy, Overland Park, Kansas 66251.

16. The last known address of Defendant Antwan Jamar Cannady is 12235 Morang Drive, Apartment 6, Detroit, Michigan 48224.

17. The Court hereby finds, pursuant to Fed. R. Civ. P. 54(b), that there is no just reason for delay and orders that Judgment shall be entered against Defendant as set forth herein.

SO ORDERED.

Dated: September 24, 2015  
Detroit, Michigan

s/Mark A. Goldsmith  
MARK A. GOLDSMITH  
United States District Judge

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing document was served upon counsel of record and any unrepresented parties via the Court's ECF System to their respective email or First Class U.S. mail addresses disclosed on the Notice of Electronic Filing on September 24, 2015.

s/Carrie Haddon  
Case Manager

Copies furnished to:  
All Counsel of Record and pro se parties