

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SPRINT SOLUTIONS, INC. and SPRINT COMMUNICATIONS COMPANY L.P.,)	
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)	
Plaintiffs,)	Case No. 16 C 2113
)	
v.)	Judge Jorge L. Alonso
)	
ANTWON S. ROBINSON, KEITH D. JONES, JONATHAN WALKER, BETTIE N. JACOX, MICHAEL DRONEY, JOAN ROBINSON, and JOHN and JANE DOES 1-20,)	Magistrate Judge Sheila M. Finnegan
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)	
Defendants.)	
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**FINAL JUDGMENT AND
PERMANENT INJUNCTION AGAINST DEFENDANT KEITH JONES**

Plaintiffs Sprint Solutions, Inc. and Sprint Communications Company L.P. (collectively “Sprint” or “plaintiffs”), brought the above-captioned lawsuit against, *inter alia*, defendant Keith Jones (“defendant”) alleging that defendant and his co-defendants are engaged in the unauthorized and deceptive acquisition and resale of Sprint products, goods, and services manufactured, distributed, sold or offered for sale by Sprint (“Sprint Products”), including but not limited to specially-manufactured wireless telephones and other wireless devices 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 account 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 (the "Handset Theft and Trafficking Scheme" or the "Scheme").

As alleged in the Complaint and not denied by defendant Jones, who failed to plead to the Complaint or appear in this action, defendant and his co-defendants have several methods of illegally obtaining new Sprint Phones on legitimate customer accounts. One such method involves installation of remote access software on the computer terminal of an authorized Sprint dealer or retailer. The remote access software enables defendants to remotely control the target computer from any location thereby giving defendants access to Sprint's protected computer system¹, including customer account information and the ability to process equipment orders. Once defendants gain remote access to the dealer's computer system through the software, defendants use the dealer's digital certificate² to log into Sprint's order entry system on Sprint's protected computer network. Defendants then place orders for new Sprint devices on the accounts of legitimate Sprint customers, bill the devices to those accounts, and change the shipping address for the orders to a location chosen by defendants. The fraudulently placed orders appear legitimate because, by using the remote access software, the orders that Sprint receives and processes come directly through the authorized dealer's terminal. In some cases, defendants and their co-conspirators acquire the Sprint Products 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

¹ Authorized Sprint dealers have direct access to Sprint's protected computer network to perform tasks such as placing orders, making changes to customers' accounts, and signing up new customers for Sprint service.

² A digital certificate, or public key certificate, is an electronic passport that allow computers to securely exchange information over the internet.

resold as new by defendants under the Sprint trademarks. Defendants' 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 tortious interference with existing business relations and prospective economic advantage, conspiracy, conspiracy to defraud, 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, conversion, and deceptive trade practices under 815 ILCS 505, *et seq.* and common law unfair competition.

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: tortious interference with existing business relations and prospective economic advantage (Count 1); conspiracy (Count 2); conspiracy to defraud (Count 3); unjust enrichment (Count 4);

common law fraud and fraudulent misrepresentation (Count 5); trafficking in computer passwords, 18 U.S.C. § 1030(a)(6) (Count 6); unauthorized access, 18 U.S.C. § 1030(a)(5)(C) (Count 7); unauthorized access with intent to defraud, 18 U.S.C. § 1030(a)(4) (Count 8); federal trademark infringement, 15 U.S.C. § 1114 (Count 9); federal common law trademark infringement and false advertising, 15 U.S.C. § 1125(a)(1)(A) and (B) (Count 10); contributory trademark infringement (Count 11); conversion (Count 12); and deceptive trade practices under 815 ILCS 505, *et seq.* and common law unfair competition (Count 13).

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 2,131 new Sprint Phones. For each new Sprint smartphone that Sprint sells its investment and expected revenue from the Phone averages \$1,919.00. When any new Sprint Phone is unlawfully trafficked through defendant's use of a co-conspirator 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: $\$1,919.00 \times 2,131 \text{ smartphones} = \$4,089,389.00$. 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 \$12,268,167.00.

8. Sprint is also entitled to an award of its reasonable attorneys' fees in the amount of \$21,582.00.³

9. Final default judgment is hereby entered against defendant Keith Jones, and in favor of Sprint, on all of the claims set forth in Sprint's Complaint in the principal amount of \$12,289,749.00 which shall bear interest at the legal rate, for which let execution issue forthwith.

10. For all Sprint brands, now and in the future, including without limitation, Sprint, Sprint Prepaid, Boost Mobile, Virgin Mobile, PayLo and Assurance Wireless, Defendant and all of his past and present agents, employees, heirs, personal representatives, beneficiaries, relatives, 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 in any way affiliated or associated with defendant or defendant's representatives, agents, assigns, employees, independent 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, any Sprint Phones or Products (including services);

³ The Court has reduced Stacey Sutton's hourly rate from \$470.00 to \$410.00 given that in 2014 she was awarded an hourly rate of \$350.00 in a similar case. *See Sprint Commc'n Co. L.P. v. Chong*, No. 13 Civ. 3846(RA), 2014 WL 6611484, at *6 (S.D.N.Y. Nov. 21, 2014). The Court has also reduced Jennifer Yasko's hourly rate from \$375.00 to \$350.00 given that an attorney with the same amount of experience from her firm was awarded that rate in a similar case. *See id.* The Court has further reduced plaintiffs' counsel's fee request by 25 percent to "trim the fat" for block billing, having a thirteenth-year associate bill for revising and drafting a notice of appearance, spending excessive time on Rule 7.1 disclosures, and spending close to 60 hours drafting the complaint. *See Centerpoint Energy Servs., Inc. v. WR Prop. Mgmt., LLC*, No. 10 C 2121, 2012 WL 7802720, at *9 (N.D. Ill. Aug. 30, 2012) (citing *Tomazzoli v. Sheedy*, 804 F.2d 93, 98 (7th Cir. 1986) ("The district court acted within its discretion when it chose to cut the number of hours by a lump sum[.] . . . We endorse the court's approach as a practical means of trimming the fat from a fee application.")).

- 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 purchase or sale of Sprint Phones or hacking, altering, erasing, tampering with, deleting or otherwise disabling the software installed in Sprint Phones;
- c. engaging in any of the conduct described in the Complaint as the “Handset Theft and Trafficking Scheme;”
- d. accessing Sprint’s computer networks either directly or through a Sprint representative, Sprint dealer or retailer, customer and/or a third-party;
- e. contacting Sprint Customer Service, Sprint Telesales, and/or any other Sprint business, division, service or customer assistance departments, directly or indirectly, intentionally or unintentionally, to obtain Sprint Phones and/or Sprint Products and/or Sprint services and/or Sprint customer information;
- f. obtaining or being in possession of any Sprint Phones, Products (including services) or Sprint customer information of any type;
- 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;
- h. holding himself out as being associated with, employed by or on behalf of, or acting as an agent, representative or authorized partner of Sprint; and,

- i. supplying Sprint Products to or facilitating or in any way assisting, aiding or cooperating with 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 of Sprint Phones or Products (including services) or contacting any division, department, employee, agent, or affiliate of Sprint for the purpose of obtaining Sprint Phones and/or Sprint Products and/or Sprint services and/or Sprint customer account information.

11. 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 Final Judgment.

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

13. Plaintiffs' address is 6200 Sprint Pkwy, Overland Park, Kansas 66251.

14. Defendant Keith Jones's last known address is 5723 Fieldstone Drive, Lithonia, Georgia 30038.

15. The Court retains jurisdiction to enforce any violation of the terms of this 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.

16. 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.

ENTERED: October 20, 2016

A handwritten signature in black ink, consisting of a large, stylized 'J' and 'A' intertwined, enclosed within an oval shape.

JORGE L. ALONSO
UNITED STATES DISTRICT JUDGE