

EXHIBIT 1

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

SPRINT SOLUTIONS, INC. and SPRINT
COMMUNICATIONS COMPANY L.P.,

Plaintiffs,

v.

ALAIN MARTINEZ, SR.,

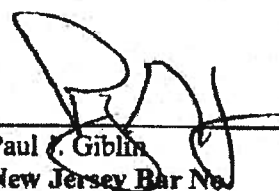
Defendant.

Case No.: 2:14-cv-00224-KSH-CLW

**STIPULATION FOR ENTRY OF FINAL JUDGMENT AND PERMANENT
INJUNCTION AGAINST DEFENDANT ALAIN MARTINEZ, SR.**

Plaintiffs Sprint Solutions, Inc. and Sprint Communications Company L.P. and Defendant Alain Martinez, Sr. hereby stipulate and agree to the entry of the Final Judgment and Permanent Injunction Against Defendant Alain Martinez, Sr., filed with this stipulation in the form attached hereto at **Exhibit 1-A**.

By: 
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By: 
Paul J. Giblin
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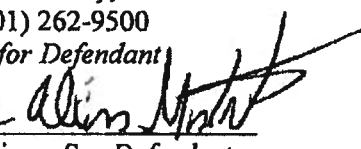
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By: 
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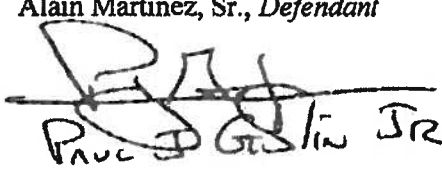

Paul J. Giblin, Jr.

EXHIBIT 1-A

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

SPRINT SOLUTIONS, INC. and SPRINT
COMMUNICATIONS COMPANY L.P.,

Plaintiffs,

v.

ALAIN MARTINEZ, SR.,

Defendant.

Case No.: 2:14-cv-00224-KSH-CLW

**FINAL JUDGMENT AND PERMANENT INJUNCTION
AGAINST DEFENDANT ALAIN MARTINEZ, SR.**

Plaintiffs Sprint Solutions, Inc. and Sprint Communications Company L.P. (collectively, “Sprint” or “Plaintiffs”) brought the above-captioned lawsuit against Defendant Alain Martinez, Sr. (“Martinez” or “Defendant”), alleging that Defendant is engaged in an unlawful enterprise involving the unauthorized and deceptive bulk purchase and resale overseas of specially-manufactured wireless telephones designed for use on Sprint’s wireless service, which Sprint offers under various Sprint brands, including Sprint, Boost Mobile, Virgin Mobile, PayLo and Assurance Wireless (collectively, “Sprint Phones” or “Sprint Handsets” or “Phones” or

“Handsets”), the theft of Sprint’s subsidy 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 trademarks (collectively, the “Bulk Handset Trafficking Scheme” or the “Scheme”).

Sprint alleges that Defendant perpetrated the Bulk Handset Trafficking Scheme by acquiring large quantities of Sprint Phones from Sprint and/or Sprint authorized retailers and dealers, and by soliciting others to purchase Sprint Phones in large quantities for the benefit of Defendant. Sprint contends that Defendant acquired the Sprint Phones with the knowledge and intent that the Phones will not be used on the Sprint wireless network (as required by the Sprint contracts), but instead, that the Phones would be trafficked and the vast majority resold as new overseas where the Phones are not subsidized by wireless carriers (as they are in the United States) and where the Phones are not as readily available. In some cases, Sprint asserts, Defendant acquired the Sprint Phones with the knowledge and intent that the Phones will be computer-hacked, or “unlocked,” to disable software installed in the Phones by the manufacturers, at the request and expense of Sprint, that enables the activation of the Sprint Phones exclusively on Sprint’s wireless system. As set forth in the Complaint, the purpose of the software is to allow Sprint to offer the Phones at a discount to the consumer while protecting Sprint’s subsidy investment in the Phone. Finally, Sprint contends, the illegally unlocked Phones are trafficked and resold as new, at a premium, under the Sprint trademarks.

As detailed in the Complaint, Sprint Phones are sold subject to terms and conditions (“Terms and Conditions”) which conspicuously restrict and limit the sale and use of the Phones. Sprint explains that 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 monthly service charges and other related fees; (b) to pay an Early Termination Fee (“ETF”) for each line of service that is terminated before the contract term is concluded; (c) to activate the Sprint Phones on the Sprint

CDMA network; (d) not to resell the Sprint Phones and related products and services; and (e) not to use the Phones for a purpose that could damage or adversely affect Sprint.

In this action, Sprint asserted claims against Defendant for breach of contract, unfair competition, tortious interference with business relationships and prospective advantage, civil conspiracy, unjust enrichment, conspiracy to induce breach of contract, common law fraud, fraudulent misrepresentation, violations of the federal 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, unfair competition under N.J. Rev Stat. § 56:4-1 and violation of the New Jersey Computer Fraud and Abuse Act under N.J. Rev. Stat. § 2A:38A-1, *et seq.*

Based on the stipulations and by agreement of the parties and after a hearing conducted in open court with the parties present, 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 parties stipulate that the Terms and Conditions and the language in and on the packaging constitute a valid and binding contract enforceable against Defendant. The following constitute independent breaches of contract for which Sprint is entitled to relief: (a) failing to pay for monthly service charges; (b) failing to pay ETF fees; (c) failing to activate the Phones on the Sprint wireless network; (d) reselling and exporting the Sprint Phones and related products and services; and (e) using the Phones for a purpose that could damage or adversely affect Sprint.

4. The parties stipulate that the conduct set forth in the Complaint constitutes violations of the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a)(1)(A) and (B) (federal trademark infringement and false advertising). The conduct also constitutes breach of contract, unfair competition, tortious interference with business relationships and prospective advantage, civil conspiracy, unjust enrichment, conspiracy to induce breach of contract, common law fraud, fraudulent misrepresentation, violations of the federal Computer Fraud and Abuse Act, 18 U.S.C. § 1030, *et seq.*, contributory trademark infringement, and conversion.

5. The parties stipulate that Sprint has suffered damages, including loss of goodwill and damage to its reputation, as a result of Defendant's conduct. As agreed by the parties, Sprint is entitled to damages and injunctive relief on the claims as set forth in the Complaint.

6. Final judgment is hereby entered against Defendant Martinez, and in favor of the Plaintiffs, on all of the claims set forth in Plaintiffs' Complaint.

7. By agreement of the parties, for all Sprint brands, now and the in the future, 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 them 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. purchasing, selling, unlocking, reflashing, altering, advertising, soliciting and/or shipping, directly or indirectly, any Sprint Phones;
- 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 “Bulk Handset Trafficking Scheme;”
- d. supplying Sprint Phones 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 buying and/or selling of Sprint Phones; and
- e. 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.

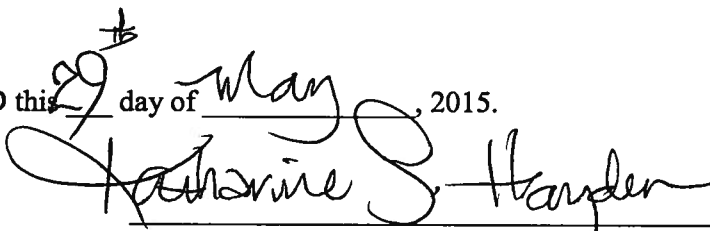
8. As stipulated by the parties, the purchase, sale or shipment of any Sprint Phones without Sprint’s prior written consent within and/or outside of the continental United States is and shall be deemed a presumptive violation of this permanent injunction.

9. The address of Defendant is 7614 Lucky Land, North Bergen, New Jersey 07047.

10. Defendant waives any and all rights to challenge the validity of this Final Judgment in this Court or in any other court, and specifically waives his right of appeal from the entry of this Final Judgment.

11. The Court retains jurisdiction over this matter and the parties to this action in order to enforce any violation of the terms of this Permanent Injunction by entering a subsequent judgment awarding damages against Defendant and by a finding of contempt and an order for payment of compensatory damages to Plaintiffs in an amount of \$5,000 for each Sprint Phone that Defendant is found to have purchased, sold or unlocked in violation of this Injunction. The parties agree that these amounts are compensatory and will serve to compensate Sprint for its losses in the event Defendant violates the terms of this Order.

12. 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.

DONE AND ORDERED this th 29 day of May, 2015.


UNITED STATES DISTRICT JUDGE

Copies furnished to:
All Counsel of Record