Patently Apple

Celebrating Apple's Spirit of Invention

October 05, 2019

Apple has been sued by Blix, owner of BlueMail, for Patent Infringement and Illegal Monopolization

Apple has been sued by the owner of <u>BlueMail</u> for patent infringement relating to Apple's new 'Sign In with Apple' feature for iOS that was introduced at their World Wide Developer Conference. CBS news covered this specific feature in an <u>interview</u> with <u>Tim Cook</u>. Not only did Apple steal BlueMail's pioneering anonymous messaging capabilities—days later, Apple removed BlueMail from the MacOS App Store, to prevent Mr. Volach's software from readily reaching consumers and competing with Apple's own products.

While Apple takes the position that they're not a monopoly, yet their actions speak louder than words. When they remove an app competing with an Apple feature on the App Store, then that's monopolistic move.

In June Patently Apple posted a report titled "The Stars are lining up against Apple as they now may be in the U.S. Government's Antitrust Crosshairs over the App Store." In the lawsuit Mr. Volach points out that Apple stealing ideas and blocking competitors on the Apple Store is common and pointed to a <u>Washington Post</u>

<u>report</u> titled "titled "How Apple uses its App Store to Copy the Best Ideas," to show this is a trend of Apple's.

This kind of lawsuit is simply more ammunition for a possible antitrust investigation by the government.

The introduction of the lawsuit is fairly long, so we'll present only some of the key passages below:

"In August 2018, Mr. Volach added innovative anonymous messaging features to BlueMail, adding a "Share Email" feature to facilitate private and easy-to-manage communications options. BlueMail's new "Share Email" feature allows parties to communicate using manageable public interaction addresses, without revealing their private interaction addresses. This new feature was a major step towards implementing the visionary ideas in Mr. Volach's patent.

Not long after Mr. Volach's team unveiled BlueMail's innovative anonymous communication options, Apple took Mr. Volach's pioneering ideas—without permission, payment, or credit—and used those ideas in Apple's own products.

In June 2019 Apple announced a new "Sign In With Apple" service for fast, easy-to-use, private messaging. At a worldwide conference for Apple software developers, Apple's Senior Vice President of Software Engineering Craig Federighi described a system for controlled interactions, using manageable public interaction addresses and private interaction addresses.

This new system received thunderous applause. But during the presentation, Apple never acknowledged that this idea for manageable interaction addresses was already being used in other software—Mr. Volach's popular BlueMail software.

Not only did Apple steal BlueMail's pioneering anonymous messaging capabilities—days later, Apple removed BlueMail from the MacOS App Store, to prevent Mr. Volach's software from readily reaching consumers and competing with Apple's own products. This unlawfully leveraged Apple's monopoly over MacOS's App Store (Apple's closed system for MacOS application distribution) to extend, maintain, and protect from competition Apple's monopoly power in the market for MacOS mail clients (including Apple's pre-installation of its own proprietary Apple Mail software on each MacOS device Apple sells).

Apple's theft of Mr. Volach's patented ideas, days before Apple threw Mr. Volach's very successful software product out of Apple's "App Store" marketplace, caused tremendous harm to Blix. For years Mr. Volach has been preparing to release software that extends BlueMail's use of secure and private messaging, to make full use of Mr. Volach's vision in his '284 patent. For that reason, Mr. Volach co-founded Blix—a successor company to BlueMail—to take the next step in BlueMail's evolution. But Apple's theft of Mr. Volach's patented technology is now crippling the long-planned rollout of new features in BlueMail and Blix.

Apple's unexplained refusal to give consumers access to competing software products in the App Store is a threat to Blix's success. The BlueMail client for Mac

has been ejected from the App Store, making it inaccessible to consumers who use MacOS and who would benefit from BlueMail's innovative features. Apple's conduct leaves consumers with fewer choices when selecting an email application for MacOS.

Consumers also suffer from Apple's pattern of stealing great ideas Apple sees in the App Store. Apple frequently takes other companies' innovative features, adds those ideas to Apple's own software products without permission, and then either ejects the original third-party application from the App Store (as it did with Blix) or causes the third-party software developer to close its doors entirely. This pattern of behavior is well documented. See, e.g., Washington Post report titled "How Apple uses its App Store to opy the Best Ideas" (Sept. 15, 2019).

Blix, and its BlueMail product, are the latest in Apple's long line of victims. Apple's pattern of stealing ideas from the App Store harms software developers and consumers in multiple ways—reducing consumer choice, discouraging third-party software developers from investing in future innovative products, and reducing competition among applications.

Apple is not allowed to steal Mr. Volach's ideas, toss Mr. Volach's BlueMail application out of the App Store to prevent competition, and unlawfully leverage Apple's App Store dominance to capture additional market share for its own offerings at the expense of competing technologies. Plaintiff asks this Court to protect its

patented inventions, ensure its patented ideas are not used without permission or compensation, and restore access to the App Store marketplace."

Later in the lawsuit Mr. Volach states A major capability of Blix is its Messaging Bridge, allowing a Blix customer to engage visitors to their company website through anonymous interactions with the customer's employees, without revealing their real email addresses.

The Blix service has been in active development for more than two years, since March 2017. It was launched in September 2019. 33. Blix's business model is based on selling cross-platform messaging services to companies, to meet all of their messaging needs. The employees of these companies typically run a variety of OS platforms, including MacOS. If Blix is unable to serve Mac OS users, many companies may choose not to work with Blix, and may choose offerings from competing companies instead – for example, Apple.

Apple's effort to beat Blix to market, using Blix's own patented technology, substantially threatens Blix's ability to obtain market share—and perhaps to continue operations at all.

On June 3, 2019, Apple announced its new "Sign In With Apple" service. Apple's Senior Vice President of Software Engineering Craig Federighi unveiled the service,

including its use of public interaction addresses to mask private interaction addresses, to extended and thunderous applause.

Mr. Federighi explained that Apple, like many software developers, recognized the growing need for a system to manage interaction addresses and protect privacy; personal information" too often "gets shared" through online communication, something Apple "wanted to solve" though its new "Sign In With Apple" service.

Apple is being sued on two counts: Count One: Infringement of Patent 9,749,284 and Count Two: Illegal Monopolization.