

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

LAKSHMI ARUNACHALAM,

Plaintiff,

v.

**PAYCHEX, INC.,
ADVANTAGE PAYROLL SERVICES, INC.;
and
SUREPAYROLL, INC.,**

Defendant.

C.A. No. _____

JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Dr. Lakshmi Arunachalam hereby files this complaint for patent infringement against Paychex, Inc., Advantage Payroll Services, Inc., and SurePayroll, Inc. and alleges upon information and belief as follows:

PARTIES

1. Plaintiff, Dr. Lakshmi Arunachalam, resides at 222 Stanford Avenue, Menlo Park, California 94025. Plaintiff has provided innovative software products, services and solutions that enable distributed transaction processing and control over public and private networks, including, without limitation, the Internet and the World-Wide Web through Pi-Net International, Inc. and other companies that she had founded.

2. The patent asserted here was issued to Dr. Arunachalam based on an application having a priority date of 1995. The patent discloses the fundamental technology underlying Web commerce and other online services over the Web by use of Web applications. The examples of

the pioneering technology in her patent were directed to payroll processing and other financial services on the Web as in the Defendants' accused systems.

3. Defendant Paychex, Inc. ("Paychex") is a corporation organized under the laws of the State of Delaware with The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 as its registered agent. Defendant resides in this judicial district and transacts business throughout the State of Delaware, including this judicial district. Furthermore, by forming in the State of Delaware, Defendant has availed itself of Delaware law.

4. Defendant Advantage Payroll Services Inc. ("Advantage") is a corporation organized under the laws of the State of Delaware with The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 as its registered agent. Defendant resides in this judicial district and transacts business throughout the State of Delaware, including this judicial district. Furthermore, by forming in the State of Delaware, Defendant has availed itself of Delaware law.

5. Defendant SurePayroll, Inc. ("SurePayroll") is a corporation organized under the laws of the State of Delaware with The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 as its registered agent. Defendant resides in this judicial district and transacts business throughout the State of Delaware, including this judicial district. Furthermore, by forming in the State of Delaware, Defendant has availed itself of Delaware law.

6. Advantage and SurePayroll are wholly-owned subsidiaries of Paychex.

JURISDICTION AND VENUE

7. This is an action for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

8. This Court has personal jurisdiction over the Defendants by virtue of their presence and business activities within this judicial district.

9. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b).

BACKGROUND

10. On August 14, 2012, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 8,244,833 (“the ’833 Patent”), entitled “Real-Time Web Transaction Systems To Access On-Line Services Over The Web From Web Applications,” to Dr. Lakshmi Arunachalam. Plaintiff is the owner of all rights, title, and interest in the ’833 Patent, including the right to recover damages for past infringement. A copy of the Patent is attached to the Complaint as Exhibit A.

11. Defendants make, use and sell, *inter alia*, online services over the Web, Software as a Service (SaaS) and on-premise payroll products, including Paychex One-Source Solutions, Paychex Online Payroll®, Internet Time Sheet, Paychex Online Reports, Paychex HR Online, SurePayroll, Defendant’s Internet-based human resource management system, BeneTrac, employee benefits management and administration systems, Paychex Time and Labor Online, Taxpay®, Paychex One-Source Solutions, General Ledger Reporting Service and similar, which include at least the making and using of a non-transitory machine-readable media having

embedded thereon instructions executable by a processor, which when executed by one or more processors, causes the one or more processors to perform a set of steps including:

activate an OSI application layer on-line service network on the Web, wherein said on-line service network is an on-line payroll processing service network on the Web;

display a Web application on a Web page, wherein the Web application is a payroll processing services Web application;

execute said Web application on a Web server comprising memory and a processor;

display a list of services accessible for performing real-time Web transactions from said payroll processing services Web application on the Web page;

perform real-time Web transactions from the Web application;

manage the connection between the Web application displayed on a multi-media device and a Back Office of a payroll processing service provider;

control the flow of one or more real-time Web transactions from the payroll processing Web application; and

complete a payroll processing Web transaction in real-time relating to a selected payroll processing service.

12. Defendants, as examples and not as a limitation, make and use media for the provision of on-line payroll processing services as specified above in paragraph 11 which can be accessed via the following websites www.InstantPayroll.com; <http://www.surepayroll.com> [<https://www.surepayroll.com/SPF/Login/Auth.aspx>]; <http://www.paychex.com/login/>; <http://www.paychex.com/resources/employees/login.aspx>; <http://www.paychex.com/payroll-taxes/employee-access-online.aspx>; <http://www.paychex.com/resources/employers/login.aspx>; <https://timeandlabor.paychex.com/secure/login.aspx?>; [COMPLAINT FOR PATENT INFRINGEMENT](http://www.paychex.com/accounting-</p></div><div data-bbox=)

professionals/resources/login.aspx; and <http://www.paychex.com/apps/mobile-app.aspx>.

COUNT I
(Infringement of the '833 Patent)

13. Plaintiff incorporates and realleges paragraphs 1- 12.

14. Defendants have directly infringed and are continuing to infringe at least claim 10 of the '833 Patent by making, using and selling without authority the non-transitory machine-readable media described in paragraph 11.

15. Defendants' infringement has injured Plaintiff. Accordingly, Plaintiff is entitled to recover damages adequate to compensate it for such infringement, but in no event less than a reasonable royalty, and an injunction to prohibit further infringement of the '833 Patent or future compensation for use of the inventions.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff asks this Court to enter judgment against Defendants and against Defendants' subsidiaries, affiliates, agents, servants, employees and all persons in active concert or participation with them, granting the following relief:

- A. An award of damages adequate to compensate Plaintiff for the infringement that has occurred, together with prejudgment interest from the date infringement of the '833 Patent began;
- B. An award to Plaintiff of all remedies available under 35 U.S.C. § 284;
- C. An award to Plaintiff of all remedies available under 35 U.S.C. § 285;
- D. A permanent injunction under 35 U.S.C. § 283 prohibiting further infringement of the '833 Patent, and, in the alternative, in the event injunctive relief is not granted as requested by Plaintiff, an award of a compulsory future royalty; and
- E. Such other and further relief as this Court or a jury may deem proper and just.

JURY DEMAND

Plaintiff demands a trial by jury on all issues so triable.

DATED: July 29, 2013

/s/ George Pazuniak
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