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5 Pro Se plaintiff

6 **UNITED STATES DISTRICT COURT**  
7 **NORTHERN DISTRICT OF CALIFORNIA**  
8

9 Douglas M. Shortridge )

10 Plaintiff, )

11 vs. )

12 ADP, LLC; ADP, Inc.; )

13 Automatic Data Processing, Inc.; )

14 and, )

15 Integrated Design, Inc., )

16 Defendants. )  
17 )

**Case No. C14-04413 JCS**

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19 **FIRST AMENDED COMPLAINT**

20 [Pursuant to Fed. Rules Civ. Proc. Rules 15(a)(1)(B) and 15(c)(1)(C)]

21 Pursuant to Federal Rules of Civil Procedure Rule 15 Plaintiff Douglas M. Shortridge  
22 ("Shortridge" or "Plaintiff") amends his complaint in allegations, claims, and identification of  
23 defendant parties.

24 This is a complaint against ADP, LLC; ADP, Inc.; Automatic Data Processing, Inc.; and  
25 Integrated Design, Inc. ("IDI"). On personal knowledge as to his own actions, possessions, and  
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1 knowledge, and on information and belief as to all others based on his investigation, Shortridge  
2 hereby alleges as follows:

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4 **THE PARTIES**

5 1. Plaintiff Shortridge is an individual whose principal place of business is 3481  
6 Valle Verde Drive, Napa, California 94558.

7 2. Defendant Automatic Data Processing, Inc. is a publicly held corporation  
8 organized under the laws of the State of Delaware with its headquarters located at One, ADP  
9 Boulevard, Roseland, New Jersey, 07068. It is the parent company of ADP, LLC and ADP, Inc.

10 3. Defendant ADP, LLC is a wholly owned subsidiary of Automatic Data  
11 Processing, Inc. and is organized under the laws of the State of Delaware with its headquarters  
12 located at One, ADP Boulevard, Roseland, New Jersey, 07068.

13 4. Defendant ADP, Inc. is a wholly owned subsidiary of Automatic Data Processing,  
14 Inc. organized under the laws of the State of Delaware with its headquarters located at One, ADP  
15 Boulevard, Roseland, New Jersey, 07068.

16 5. Defendant IDI is a Domestic Profit Corporation organized under the laws of the  
17 State of Michigan with its headquarters located at 3768 Plaza Drive, Ann Arbor, Michigan,  
18 48108.

19 **JURISDICTION AND VENUE**

20 6. This is an action for patent infringement arising under the Patent Laws of the  
21 United States, under 35 U.S.C. §§100, *et. seq.* This court has jurisdiction over the subject matter  
22 of this patent litigation action pursuant to 28 U.S.C. §1338(a).

23 7. Defendant Automatic Data Processing, Inc. is subject to personal jurisdiction in  
24 the State of California, Northern District because at least two of its subsidiaries purposefully  
25 currently maintain, or maintained at least until September 29, 2014, business offices in San  
26 Francisco, Pleasanton, Novato, and Redwood City, in the State of California. These places of  
27 business from which services are currently, and were previously, offered for sale and sold,  
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1  
2 locally and regionally, include services which entail committing acts of infringement of the  
3 patent which is the subject of this complaint. These offices and are within the jurisdiction of the  
4 present court.

5 8. Defendant ADP, LLC is subject to personal jurisdiction in the State of California,  
6 Northern District at least because it purposefully maintains business offices in San Francisco,  
7 Pleasanton, Novato, and Redwood City, in the State of California. These places of business from  
8 which services were, and are currently, offered for sale and sold locally and regionally, include  
9 services which entail committing acts of infringement of the patent which is the subject of this  
10 complaint. These offices are within the jurisdiction of the present court.

11 9. Defendant ADP, Inc. is subject to personal jurisdiction in the State of California,  
12 Northern District because previously and at least until September 29, 2014, it purposefully  
13 operated and maintained business offices in San Francisco, Pleasanton, Novato, and Redwood  
14 City, in the State of California. Previously and at least until September 29, 2014 these places of  
15 business from which services were offered for sale locally and regionally, included services  
16 which entailed committing acts of infringement of the patent which is the subject of this  
17 complaint. These offices are within the jurisdiction of the present court.

18 10. Defendant IDI is subject to personal jurisdiction in the State of California,  
19 Northern District at least because it is a current alliance partner of ADP, LLC and in that  
20 capacity provides the technology and support assimilated into the ADP, LLC system and method  
21 of concern in this action. Additionally, Defendant IDI was the alliance partner of ADP, Inc.,  
22 previously and at least until September 29, 2014, and in that capacity provided the technology  
23 and support assimilated into the ADP, Inc. system and method of concern in this action.

24 11. Venue is proper in this district pursuant to 28 U.S.C. §§1391(b), (c), and 1400(b)  
25 because all Defendants have committed acts of patent infringement in this district.  
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**DEFENDANTS' RESTRUCTURING BACKGROUND**

12. Based upon information and belief, on September 29, 2014 Defendant ADP, Inc. was liquidated in accordance with 26 U.S.C. §332 and §337. During a restructuring process designed to spin off the "dealer services" portion of the company, certain other portions of ADP, Inc.'s business was transferred to ADP, LLC. This transfer from one subsidiary to another within Automatic Data Processing, Inc. included outsourced payroll service operations and things such as alliance partnership agreements related thereto. The Securities and Exchange Commission filing of this restructuring occurred on October 1, 2014, coincidentally, the same day in which this action was filed by Plaintiff.

**CASE BACKGROUND**

13. Shortridge is the inventor and sole owner of U. S. Patent #8,744,933.

14. On June 3, 2014 Patent No. 8,744,933 ("the '933 patent") titled; "Payroll Processing, Certification, Reporting and Project Management System and Method", duly and legally issued. This is the Patent-in-suit of this complaint. A true and correct copy of this patent is attached herein as Exhibit A.

15. On September 24, 2009 disclosure of the invention now claimed in the '933 patent was published by the USPTO.

16. On May 27, 2008 a message of introduction of the invention was sent by Plaintiff to Pedro Cutino, Director Product Management at ADP, Inc. Subsequently a phone conversation between Plaintiff and Mr. Cutino, or possibly a colleague or subordinate of Mr. Cutino, and Shortridge occurred in which it was communicated that Defendant *did not have interest* in pursuing the introduced system and method of Plaintiff. In the initial email message Mr. Cutino was apprised of the patent pending status of the invention now covered by patent '933.

17. On or about February 26, 2010 ADP, Inc. was contacted by Plaintiff through their website contact page regarding a potential partnership agreement to employ what is now claimed

1 in the '933 patent. In this initial message the pending status of what is now the '933 Patent's  
2 application was clearly stated. An acknowledgement of receipt was returned on this message.  
3 No further communication followed this interaction.

4 18. On or about August 17, 2010 a message was sent by Plaintiff to Vice President -  
5 Strategic Products/ADP, Inc. Ben Rush via LinkedIn regarding the possible use by ADP, Inc. of  
6 the invention which is now covered in the '933 patent. In this initial message the pending status  
7 of what is now the '933 Patent's application was clearly stated.

8 19. On or about August 17, 2010 a message was sent by Plaintiff to Ron Workman,  
9 Senior Vice President Business Development (M&A) at ADP, Inc. inquiring as to ADP, Inc.'s  
10 possible interest in the invention now covered in the '933 patent. In this message the pending  
11 status of what is now the '933 Patent's application was clearly stated. No response was received  
12 by Plaintiff.

13 20. On August 24, 2010 Vice President Rush responded by direct email; "I ran your  
14 information by our corporate marketing team. At this time, we're not pursuing additional  
15 alliance partnerships in this space, but if and as things change, I'll be in touch."

16 21. Based on website archive information, on at least March 2, 2010 and October 16,  
17 2010 Points North Consulting, Inc. was an "alliance partner" working with ADP, Inc. to provide  
18 payroll service clients a public works certified payroll report service interfaced with the payroll  
19 processing system of ADP, Inc.

20 22. On August 7, 2014 a personal email message stating the '933 patent number with  
21 a simple description of the area of concern within payroll processing was sent to Christopher  
22 Ryan, Vice President Strategic Advisory Services of ADP, Inc. /ADP, LLC. Mr. Ryan  
23 responded via his professional email on September 15, 2014. No further communication of  
24 substance occurred between Plaintiff and Mr. Ryan.

25 23. As of June 3, 2014, the issuance date of the '933 Patent, either or both ADP, Inc.  
26 and/or ADP, LLC offers payroll processing services in the United States to contractors who are  
27 required to submit public works "certified payroll records" ("CPRs") which are in accordance  
28 with the format and content standards of the given jurisdictions in which the contractors'  
associated projects are located.

29 24. As a portion of the services ADP, Inc. and/or ADP, LLC offers, or offered, said  
contractors, CPRs were and are available by means of an ADP, Inc./IDI and/or ADP, LLC/IDI

1 joint process and system (hereinafter "Accused Process and System"), along with other pertinent  
2 payroll related data and documents. The Accused Process and System generates, or generated,  
3 CPRs produced in conjunction with the actual "core" payroll processing pertinent to the payroll  
4 period. On information and belief, this Accused Process and System service was, and is  
5 currently, offered under the trade name Workforce Now®.

6 25. The Notice of Allowance for the '933 Patent issued on March 20, 2014. Seventy-  
7 five days later, on June 3, 2014, the '933 Patent issued. The time between Notice of Allowance  
8 and Issuance of the '933 Patent provided legal and ample opportunity to ADP, Inc. and IDI, and  
9 ADP, LLC and IDI (if applicable during the time) to evaluate the possibility of infringement on  
10 their respective parts and to take steps to resolve any uncertainty or recognized conflict in this  
11 regard.

12 **COUNT ONE**  
13 **(INFRINGEMENT OF THE '933 PATENT by ADP, LLC & IDI)**

14 26. Shortridge incorporates the allegations in paragraphs 1 through 25.

15 27. The normal operation of the ADP, LLC and IDI Accused Process and System  
16 practices the methods in at least Claims 1 and 20 of the '933 Patent constituting infringement,  
17 strictly or under the Doctrine of Equivalents, under 35 U.S.C. §271.

18 28. The normal operation of the ADP, LLC and IDI Accused Process and System  
19 practices the system in at least Claim 12 of the '933 Patent constituting infringement, strictly or  
20 under the Doctrine of Equivalents, under 35 U.S.C. §271.

21 29. Defendant ADP, LLC and IDI uses, sells, and offers for sale, in the United States,  
22 payroll processing systems, methods, and services which include the practice of methods and  
23 systems described in at least Claims 1, 12, and 20 of the '933 Patent. Defendants' actions, jointly  
24 and severally, constitute infringement, strictly or under the Doctrine of Equivalents, of the '933  
25 Patent in violation of 35 U.S.C. §271.

26 30. Defendants ADP, LLC's and IDI's direct, joint, contributory, and/or induced  
27 infringement, strict or under the Doctrine of Equivalents, has caused damage to Plaintiff  
28 Shortridge and he is entitled to recover from Defendants ADP, LLC and IDI the damages

1 sustained as a result of their wrongful acts in an amount subject to proof at trial. Defendants  
2 ADP, LLC's and IDI's infringement of Shortridge's exclusive rights under the '933 Patent will  
3 continue to damage Shortridge's business, causing irreparable harm for which there is no  
4 adequate remedy at law, unless it is enjoined by this Court.

5 31. ADP, LLC has received, through the Automatic Data Processing, Inc.'s subsidiary  
6 restructuring process, each and every aspect and detail of business regarding outsourced payroll  
7 processing previously done by ADP, Inc. The actions and responsibilities of ADP, Inc.  
8 concerned with this complaint transfer fully to ADP, LLC as if no restructuring process had  
9 occurred but only the name itself was changed. ADP, LLC is completely responsible for the  
10 actions, or lack thereof, of ADP, Inc. Therefore, ADP, LLC, as a wholly owned subsidiary of  
11 Automatic Data Processing, Inc., was fully apprised of the '933 Patent application pending on  
12 March 20, 2014 and knew or should have known between March 20, 2014 and June 3, 2014 the  
13 '933 Patent issuance was imminent. Infringement, strictly or under the Doctrine of Equivalents,  
14 of the '933 Patent since June 3, 2014 is therefore willful and up to three times the amount of  
15 actual damages and interest should be ordered against ADP, LLC pursuant to 35 U.S.C. §284.

16 **COUNT TWO**  
17 **(INFRINGEMENT OF THE '933 PATENT by ADP, Inc. & IDI)**

18 32. Shortridge incorporates the allegations in paragraphs 1 through 31.

19 33. The normal operation of the ADP, Inc. and IDI Accused Process and System, at  
20 least until the final liquidation of ADP, Inc., practiced the methods in at least Claims 1 and 20 of  
21 the '933 Patent constituting infringement, strictly or under the Doctrine of Equivalents, under 35  
22 U.S.C. §271.

23 34. The normal operation of the ADP, Inc. and IDI Accused Process and System, at  
24 least until the final liquidation of ADP, Inc., practiced the system in at least Claim 12 of the '933  
25 Patent constituting infringement, strictly or under the Doctrine of Equivalents, under 35 U.S.C.  
26 §271.

1           35. Defendant ADP, Inc. and IDI, at least until the final liquidation of ADP, Inc.,  
2 used, sold, and offered for sale, in the United States, payroll processing systems, methods, and  
3 services which included the practice of methods and systems described in at least Claims 1, 12,  
4 and 20 of the '933 Patent. Defendants' actions, jointly and severally, constituted infringement,  
5 strictly or under the Doctrine of Equivalents, of the '933 Patent in violation of 35 U.S.C. §271.

6           36. Defendants ADP, Inc.'s and IDI's direct, joint, contributory, and/or induced  
7 infringement, strict or under the Doctrine of Equivalents, has caused damage to Plaintiff  
8 Shortridge and he is entitled to recover from Defendants ADP, Inc. and IDI the damages  
9 sustained as a result of their wrongful acts in an amount subject to proof at trial.

10           37. ADP, Inc. was fully apprised of the '933 Patent application which was pending on  
11 March 20, 2014 and knew, or should have known, between March 20, 2014 and June 3, 2014 the  
12 '933 Patent issuance was imminent. Infringement, strictly or under the Doctrine of Equivalents,  
13 of the '933 Patent since June 3, 2014, at least until the restructuring and liquidation process was  
14 final, was therefore willful. Thus up to three times the amount of actual damages and interest  
15 should be determined against ADP, Inc. pursuant to 35 U.S.C. §284.

16   **COUNT THREE**  
17   **(ALTER EGO/PIERCED CORPORATE VEIL)**

18           38. Shortridge incorporates the allegations in paragraphs 1 through 37.

19           39. Automatic Data Processing, Inc. is the parent corporation and sole, or at least  
20 majority, owner of the subsidiary corporation, ADP Inc., and limited liability company ADP,  
21 LLC. In accordance with each of the plurality of state laws under which the violations have  
22 occurred, and continue to occur, under the Doctrine of Alter Ego the corporate veil is pierced  
23 thereby rendering the parent company, Automatic Data Processing, Inc. fully responsible for the  
24 acts of infringement, strictly or under the Doctrine of Equivalents, of the '933 Patent under 35  
25 U.S.C. §271 and §284.



**PRAYER FOR RELIEF**

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3 40. Plaintiff respectfully requests that the Court enter a final judgment granting the  
4 following relief:

5 a. For judgment that the '933 Patent has been and will continue to be infringed by  
6 Defendants ADP, LLC and IDI jointly and severally;

7 b. For judgment that the '933 Patent was infringed by Defendants ADP, Inc. and IDI  
8 jointly and severally until the final liquidation of ADP, Inc.;

9 c. For accounting of all damages sustained by Shortridge as a result of the act of  
10 patent infringement by Defendants ADP, LLC and IDI jointly and severally;

11 d. For accounting of all damages sustained by Shortridge as a result of the act of  
12 patent infringement by Defendants ADP, Inc. and IDI jointly and severally;

13 c. For actual damages together with prejudgment interest against Defendants ADP,  
14 LLC and IDI jointly and/or severally as a result of their acts of patent infringement;

15 d. For actual damages together with prejudgment interest against Defendants ADP,  
16 Inc. and IDI jointly and/or severally as a result of their acts of patent infringement;

17 e. For a finding of willful infringement against ADP, LLC and IDI jointly and  
18 severally, and award of three times the actual damages with interest determined;

19 f. For a finding of willful infringement against ADP, Inc. and IDI jointly and  
20 severally, and award of three times the actual damages with interest determined;

21 g. For a permanent injunction against Defendants ADP, LLC and IDI, jointly and  
22 severally against infringement of the '933 Patent;

23 h. For finding under the Doctrine of Alter Ego of pierced corporate veil of  
24 subsidiaries of Automatic Data Processing, Inc., ADP, Inc. and ADP, LLC and for injunction  
25 against further infringement and award of damages attributable to said subsidiaries, jointly and  
26 severally, to Automatic Data Processing, Inc.

27 i. For actual damages and enhanced damages against Automatic Data Processing,  
28 Inc., which are attributable under the calculations found due toward the subsidiaries ADP, Inc.

1 and ADP, LLC when and if determined to be correctly awarded due to pierced corporate veil(s)  
2 under the Doctrine of Alter Ego or similar doctrine of law.

3 j. For all costs of suit, prejudgment interest, and post-judgment interest as allowed  
4 by law; and,

5 k. For such other and further relief as the Court may deem just and proper.  
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8 **DEMAND FOR JURY TRIAL**

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10 41. Pursuant to Federal Rule of Civil Procedure 38, Plaintiff demands a trial by jury  
11 of all matters.  
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16 Dated: December 24, 2014

Respectfully submitted,

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18 /s/ Douglas M. Shortridge

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Douglas M. Shortridge – Plaintiff in Pro Se  
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