

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

SWEEPSTAKES PATENT COMPANY, LLC,
a Florida limited liability company,

CASE NO. 0:14-CV-62351-JEM

Plaintiff,

v.

CHASE BURNS, INTERNATIONAL
INTERNET TECHNOLOGIES, LLC, ALLIED
VETERANS OF THE WORLD, INC. &
AFFILIATES, ALLIED VETERANS
MANAGEMENT GROUP, INC., JOHNNY
DUNCAN, JERRY BASS, and JOHN M.
HESSONG,

Defendants.

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT
(JURY TRIAL DEMANDED)

Plaintiff, SWEEPSTAKES PATENT COMPANY, LLC, a Florida limited liability company, by its attorneys, sue the Defendants, CHASE BURNS, INTERNATIONAL INTERNET TECHNOLOGIES, LLC, ALLIED VETERANS OF THE WORLD, INC. & AFFILIATES, ALLIED VETERANS MANAGEMENT GROUP, INC., JOHNNY DUNCAN, JERRY BASS, and JOHN M. HESSONG, (collectively “Defendants”), and in support of their claims state as follows:

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 271, *et seq.*, to enjoin and obtain damages resulting from Defendants’ unauthorized manufacture, use, sale, offer to sell and/or importation into the United States for subsequent use or sale of products, methods, processes, services and/or systems that are used or adapted for use in computer based promotional lottery games that infringe one or

more claims of United States Patent No. 5,569,082 entitled “Personal Computer Lottery Game,” and United States Patent No. 5,709,603 also entitled “Personal Computer Lottery Game.” Plaintiff seeks injunctive relief to prevent Defendants from continuing to infringe Plaintiff’s patents and recovery of monetary damages resulting from Defendants’ past infringement of these patents.

JURISDICTION AND VENUE

2. Defendants are subject to jurisdiction in Florida and this district because they do business here.

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1338(a).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and 28 U.S.C. § 1400(b) because (a) Defendants reside in this judicial district and division and/or (b) and the acts complained of occurred within this judicial district and division and (c) Defendants have committed acts of infringement within this judicial district and division and have a regular and established place of business within this judicial district and division.

5. The activities of Defendants as alleged in this Complaint occurred in interstate commerce within the United States and within the state of Florida.

PLAINTIFF

6. Plaintiff, SWEEPSTAKES PATENT COMPANY, LLC (“SPC”) is a Florida limited liability company with its principal place of business in Davie, Florida.

DEFENDANTS

7. Defendant CHASE BURNS (“BURNS”) is an individual who resides in Oklahoma and who does business in Florida personally in this judicial district and division, and through INTERNATIONAL INTERNET TECHNOLOGIES, INC.

8. Defendant INTERNATIONAL INTERNET TECHNOLOGIES, INC. (“IIT”) is an Oklahoma corporation registered to do business in the state of Florida, with its principal place of business in Anadarko, Oklahoma, that does business in this judicial district and division.

9. Defendant ALLIED VETERANS OF THE WORLD, INC. & AFFILIATES (“ALLIED”), is a Florida not-for-profit corporation, with its principal place of business in this judicial district and division.

10. Defendant ALLIED VETERANS MANAGEMENT GROUP, INC. (“ALLIED MGMT.”) is a Florida for profit corporation that is 100% owned by ALLIED with its principal place of business in this judicial district and division.

11. Defendant Jerry Bass (“BASS”) is an individual who resides in Florida in this judicial district and division.

12. Defendant John M. Hessong (“HESSONG”) is an individual who resides in Florida in this judicial district and division.

13. Defendant Johnny Duncan (“DUNCAN”) is an individual who resides in Florida in this judicial district and division.

FACTS

PATENTS-IN-SUIT

14. Prior to April 6, 1995, Perry Kaye invented a new method and system for playing an interactive lottery type game for use in operating lotteries, charitable sweepstakes and promotional sweepstakes.

15. Mr. Kaye applied for and obtained United States Patent No. 5,569,082 which was duly and legally issued on October 29, 1996 (the ‘082 Patent). A true and correct copy of the ‘082 Patent is attached as Exhibit A.

16. Claim 10 of the '082 Patent is directed to a lottery type game system:

10. A lottery type game comprising:

a gaming piece, said gaming piece including a code which includes data indicating whether a player wins or loses the lottery game and an amusement game, said data being unrecognizable to the player, such that the player does not know whether the player will win or lose the games prior to play of the amusement game;

a processor for receiving said code input by the player prior to amusement game play;

said processor generating the amusement game on a display for play by the player,

said processor determining whether the player will win or lose the amusement game based upon said code; and

a display for providing an indication to the player of the amusement game win or loss based upon said code.

17. Mr. Kaye also applied for and obtained United States Patent No. 5,709,603 which was duly and legally issued on January 20, 1998 (the '603 Patent). A true and correct copy of the '603 Patent is attached as Exhibit B.

18. Claim 7 of the '603 Patent is directed to a lottery type game system:

7. A lottery type game comprising:

a gaming piece, said gaming piece including a programmable memory for storing a code which includes data indicating whether a player wins or loses the lottery type game and an amusement game, said data being unrecognizable to the player, such that the player does not know whether the player will win or lose the games prior to play of the amusement game;

a processor for reading said code from said memory prior to amusement game play;

said processor generating the amusement game on a display for play by the player;

said processor determining whether the player will win or lose the amusement game based upon said code; and

said display providing an indication to the player of the amusement game win or loss based upon said code.

19. Plaintiff SPC is the lawful assignee of all right, title and interest in and to the '082 Patent and the '603 Patent.

20. The '082 Patent and the '603 Patent are directed to patentable methods and systems for an interactive lottery type game for use in operating lotteries, charitable sweepstakes and promotional sweepstakes. The '082 Patent and the '603 Patent claim inventive concepts and are patent eligible.

21. All lotteries and sweepstakes share three basic requirements: a) a chance to win, b) a win or loss determination based on chance, and c) a prize awarded to a winner.

22. The chance to win requirement can take many forms. For example, a paper ticket with information printed on it is commonly used to represent a chance to win. State lotteries often use paper tickets with a player's chosen numbers printed on them to represent a player's chance to win in a lottery game. Scratch-off tickets, where the player must "scratch off" an opaque coating covering information obscured beneath the coating to reveal whether they won or lost the lottery, are another way of representing a player's chance to win. Raffles often represent a player's chance to win by using perforated, two-part paper tickets with the same unique number on each half of the ticket so the ticket can be torn in half with one part given to the player and the other part used for the drawing of winners.

23. The win or loss determination requirement can also take many forms. State lotteries use machines that circulate ping-pong balls with unique numbers on each inside a clear, pressurized chamber where a lottery employee selects winning balls randomly by the flip of a switch or the release of pressure from a tube connected to the chamber. Raffles determine winners by the chance of having the winning ticket being selected from a bowl containing all the

tickets. Scratch-off tickets are printed in controlled, secure environments where the number of winners and prizes awarded to each are determined in advance, with the element of chance added by distributing the tickets in a random manner.

24. The specification of the '082 Patent notes inherent shortcomings of these and other methods used by sweepstakes and lotteries to provide a chance to win and make the win loss determination based on chance.

Problems are inherent in the current gaming systems arising from: (a) the low level of excitement that is generated from the display of the games outcome; (b) the fact that it takes just a few moments to play the game; (c) insufficient player interaction with the game except for boring scratching of the coating; (d) excessive space that is required to 40 store the different games necessary to stock all of the available printed game cards; (e) tracking and control of the game cards; (f) non-challenging simple games; (g) dirt caused by the scratched coating; (h) the limited number of games because the only variations to the game are the use of 45 different symbols, colors, or placement of the symbols; (i) fraud caused by game card theft and/or tampering; (j) waste caused by the need to print and stock many different game card to keep players interested; (k) restricting access to minors; and (1) allowing for system wide and regional control and monitoring.

'082 Patent, col. 1, ln. 35.

25. One example of an inventive, patent eligible, concept claimed in the '082 Patent and the '603 Patent is the use of a display to reveal to a player in a lottery or sweepstakes whether he or she has won or lost in an exciting and entertaining way via an amusement game.¹ The '082 Patent and the '603 Patent both contain "amusement game" and "display" elements. According to the specifications of the '082 Patent, the amusement game "is purely for player enjoyment, and is used to give the feel of a completely random game of chance." '082 Patent,

¹ There are many other inventive, patent eligible concepts in the '082 Patent and the '603 Patent besides the "amusement game" element. The "amusement game" element is provided here as an illustrative example for demonstrative purposes only.

col. 3, ln. 25. The amusement game is not a game that the player plays, it is only there to provide the feel of a random game, but it appears to the player that she is playing the game.

26. Video poker is an example of an amusement game. Video poker (the five card draw variety) simulates the game play of real poker through the use of a software program running on a computer with a processor that can execute instructions written in computer code and show computer graphics to the player on a computer display. Video poker software derives random numbers based upon odds to simulate a real poker game using a real deck of 52 cards and, using the result of these calculations, determines which cards to deal to the player and the computer dealer. The player presses buttons or clicks a mouse to hold cards, discard cards, bet, etc. just like in real poker. The computer dealer deals cards, holds cards, discards cards, and bets just like a real dealer. At the end of each hand there is a winner. The win/loss determination is made in standard video poker just like in real poker, based upon factors such as the cards dealt to the player by the game, the choices the player makes whether to keep or discard cards, and the cards dealt to other players and the computer dealer.

27. The '082 Patent and the '603 Patent claim an "amusement game" like video poker, except the "amusement game" claimed **does not function like the video poker game described above**. The "amusement game" is not random at all. The "amusement game" gives the player the feel of a completely random game of chance, but it is not such a game. The "amusement game" appears to the player as if the player is actually playing the game, but in reality **the amusement game is showing the player the result of a predetermined outcome**. The predetermined outcome is the outcome of a lottery or sweepstakes that the player has entered previously, before the player ever sat down in front of the computer display that showed him the amusement game. No matter what decisions the player makes in the amusement game,

the win/loss outcome shown to the player will always be the predetermined outcome of the chance to win the lottery or sweepstakes that the player entered previously. If that predetermined outcome is a win, the amusement game will display a winning hand to the player; no matter how bad the player's cards are, the computer dealer's cards will be worse.

28. The concept of the use of an "amusement game" shown on a "display" to a player to provide an indication to the player whether they won or lost a lottery or sweepstakes is not an abstract idea, it is an inventive concept that is patent eligible. The use of an "amusement game" to display the predetermined result of a lottery or sweepstakes does not describe a fundamental concept or longstanding practice.

THE ALLIED VETERANS INTERNET SWEEPSTAKES CAFÉ OPERATIONS

29. The Internet sweepstakes café operations of the ALLIED Defendants, IIT and Burns have become well known as a result of their criminal prosecution in Seminole County in the State of Florida. Attached hereto and incorporated herein by reference as if fully set forth herein are the following exhibits that explain, in detail, the defendants' operations of internet cafes: Exhibit C, the Affidavit of Michael Favors, Special Agent with the Internal Revenue Service, filed in support of the Application for a Search Warrant of IIT's premises; Exhibit D, the Master Affidavit of Captain James "Sammy" Gibson of the Seminole County Sheriff's Office; and Exhibit E, the Seizure Affidavit of Captain James "Sammy" Gibson of the Seminole County Sheriff's Office. The following paragraphs provide a summary of the defendants' activities relevant to this action.

DEFENDANTS BURNS AND IIT

30. Defendant IIT makes, uses, offers to sell, licenses and sells computer hardware and software for managing and operating promotional sweepstakes and promotional lottery systems at internet centers and internet cafes.

31. BURNS is the owner, chief executive, and director of IIT.

32. BURNS directed, engaged in, committed, and benefitted from the infringement alleged herein.

33. IIT is and was the alter ego of BURNS. Burns acted beyond the scope of his duties as officer of IIT, committed fraud, and IIT was merely as sham entity for the benefit of Burns.

34. The computer based sweepstakes game products and systems made, used, marketed, licensed and sold by IIT consist of software for prepaid internet usage and associated promotional electronic sweepstakes which include lottery type games that enable players to enter promotional sweepstakes and promotional lotteries to win cash and prizes.

35. IIT's licensees operate internet centers and internet cafes in retail locations in shopping centers and stand-alone buildings.

36. IIT's licensees use IIT's software to sell blocks of internet access time, to track the use of that purchased internet time, and to promote the sale of that internet time through promotional sweepstakes and charitable sweepstakes.

37. IIT's licensees operate internet centers and internet cafes where customers can purchase blocks of Internet time and then use computer terminals inside the locations to access the Internet for a wide range of purposes, including electronic commerce, e-mail and social

networking, job hunting, various forms of educational, political, religious, and entertainment activities.

38. IIT licenses software on a per-terminal basis, meaning the licensees must pay licensing fees for each computer terminal that will run the internet access software.

39. IIT's licensees spend considerable sums to purchase or lease their facilities and extensively up-fit their respective retail spaces to include furniture, computer terminals, televisions, and various other amenities typically found in internet centers and internet cafes.

ALLIED DEFENDANTS

40. ALLIED is a tax exempt veterans organization pursuant to 26 U.S.C. § 501(c)(19). It was established in Florida in 1979 to promote veterans causes. One of its primary missions is to assist veterans health care by advocacy, fundraising, and making donations to veterans health care facilities.

41. ALLIED is also registered as a charitable fundraising organization with the Florida Department of Agriculture, Division of Consumer Services, pursuant to Chapter 496, Florida Statutes, Registration Number CH22577.

42. ALLIED is operated by ALLIED MGMT.

43. ALLIED MGMT is 100% owned by ALLIED.

44. BASS, HESSONG, and DUNCAN are officers, directors and owners of ALLIED and ALLIED MGMT.

45. BASS, HESSONG, and DUNCAN directed, engaged in, committed, and benefitted from the infringement in this judicial district and division alleged herein.

46. ALLIED and ALLIED MGMT. were and are the alter egos of BASS, HESSONG, and DUNCAN (collectively the "ALLIED Defendants"). BASS, HESSONG, and DUNCAN

acted beyond the scope of their duties as officers of ALLIED, committed fraud through the use of ALLIED and ALLIED MGMT, and ALLIED was merely as sham entity for the benefit of BASS, HESSONG, and DUNCAN.

47. The ALLIED Defendants operated internet sweepstakes centers and internet sweepstakes cafes.

48. The ALLIED Defendants receive funds from the operation of the internet sweepstakes centers and internet sweepstakes cafes.

49. The ALLIED Defendants sponsor, direct, coordinate and profit from the operation of the internet sweepstakes centers and internet sweepstakes cafes operated by third parties.

INTERNET SWEEPSTAKES CAFES

50. Beginning sometime in or about 2006 to 2007, the defendants devised a scheme whereby IIT, acting through BURNS, licensed computer based sweepstakes game products and systems to internet sweepstakes cafes or centers owned, operated, and sponsored by ALLIED, and ALLIED operated the internet sweepstakes centers and internet sweepstakes cafes for the purpose of raising funds for charitable purposes.

51. Sometime after 2007, ALLIED transferred ownership of the internet sweepstakes centers and internet sweepstakes cafes to third parties, but ALLIED, through ALLIED MANAGEMENT, and IIT continued to sponsor, direct, coordinate and profit from the operation of the internet sweepstakes centers and internet sweepstakes cafes.

52. Throughout the relevant period, IIT, ALLIED, and ALLIED MANAGEMENT, exercised control and direction over the entire process whereby internet sweepstakes cafes and centers offered IIT's computer based sweepstakes game products and systems to patrons.

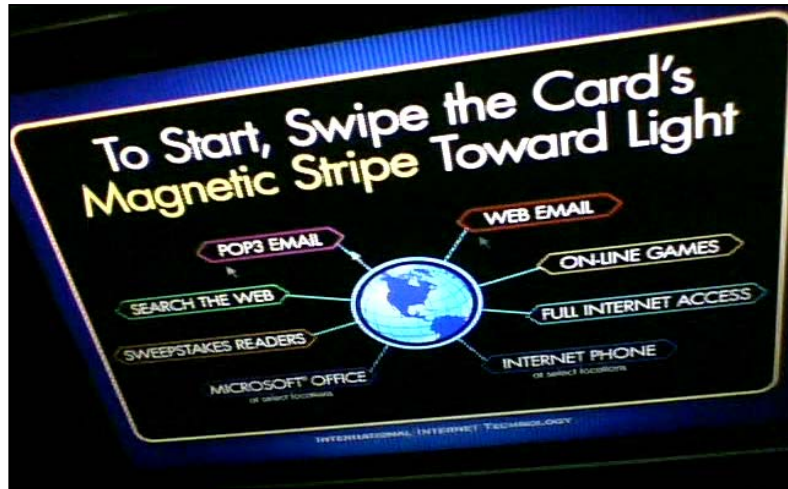
53. To raise funds for the ALLIED Defendants, and promote the sale of the internet access time at internet sweepstakes centers and internet sweepstakes cafes operated by third parties, IIT sold and licensed computer software and hardware systems to offer promotional prize giveaways pursuant to § 849.0935 and § 849.094, Fla. Stat. at multiple internet centers and internet cafés in this federal district and division.

54. Customers purchasing internet time from internet sweepstakes centers and internet sweepstakes cafes sponsored by the ALLIED Defendants received a proportional number of entries into a free promotional sweepstakes sponsored by the ALLIED Defendants.

55. Internet sweepstakes centers and internet sweepstakes cafes sponsored by the ALLIED Defendants sold internet access time at the market rate and provided the sweepstakes entries at no additional cost. Similar to McDonald's Monopoly® game where each additional order of french fries provides additional game pieces, the more internet access minutes purchased the more sweepstakes entries were provided.

56. Customers of the internet sweepstakes centers and internet sweepstakes cafes sponsored by the ALLIED Defendants participated in the sweepstakes by first approaching a computer terminal and swiping their account card in the card reader located next to the screen. These computers were available to customers purchasing internet time or receiving sweepstakes entries (with or without purchase). In either case, customers swiped their account card at any terminal on premises to log on. Swiping the card electronically transmitted the customer's PIN to the computer terminal.²

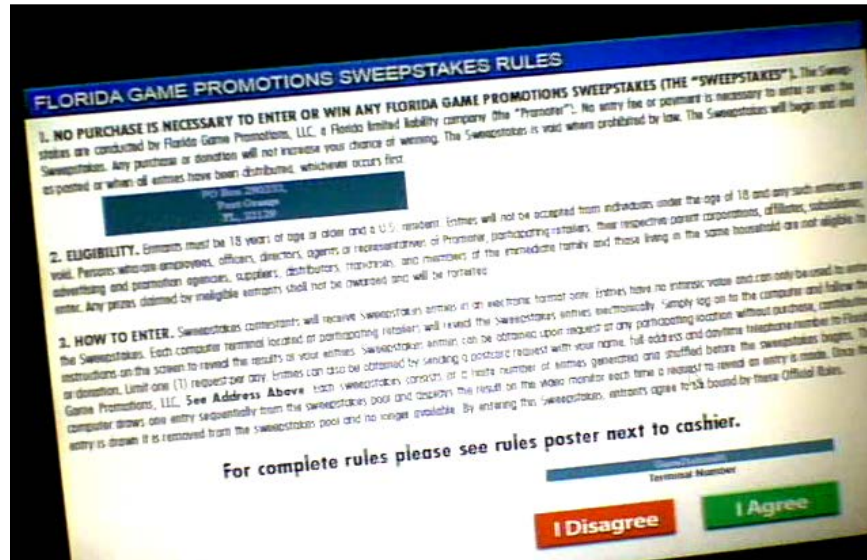
² In some locations customers used a drivers' license number or user name and password in place of an account card with a PIN. In those locations, customers log on to terminals using their user name and password instead of using a plastic account card. In all other respects, the system functions in the manner described herein.



57. When the customer swiped a valid card, she was then presented with a screen where she could choose whether to use the internet access time purchased to surf the internet, or whether she would like to reveal whether she has won or lost in the sweepstakes.



58. If the customer chose to reveal whether she has won or lost in the sweepstakes, she was then presented with a screen that required her to accept the rules of the sweepstakes to continue.



59. As required by Florida law, no purchase was necessary to receive the free sweepstakes entries. Any member of the general public over eighteen (18) years of age could receive sweepstakes entries upon request in person or by mailing a written request to the address identified in the rules. All entries distributed without purchase were drawn from the same finite pool of entries and thus had the same chances of winning a prize as those entries distributed in connection with the purchase of internet access time.

60. If the customer agreed to the rules by clicking "I Agree" then she was presented with a series of screens to choose an amusement game called a "Sweepstakes Entry Revealer."



61. Sweepstakes entries could be revealed or displayed using games including, along with alphanumeric text, graphic icons and animations, some of which included simulations of casino games such as video poker.



62. The video display used interactive artwork, storylines, symbols, and text to create the emotions of excitement and suspense within the customer and to communicate the results of the entry. The customers could interact with the games but could not affect the results of the

entries. The customer terminals displayed the results of the entries but did not determine or affect the results in any way.

63. Sweepstakes entries were drawn from a set, or finite, pool of entries containing a precise number of winners, non-winners, first prizes, second prizes, etc. In other words, the pool of entries was pre-defined. When revealing results, the computers electronically drew the requested number of entries from the finite pool of available entries. The computer terminal then revealed the results of the entries in the manner chosen by the customer. The manner of entry distribution from the finite pool remained the same regardless of how the customer revealed his or her results. Accordingly, how the entries were revealed played no role in the results achieved. Once an entry was drawn, it was removed from the pool and was no longer available to subsequent participants.

64. The operation of the computer terminal did not entitle the user to receive anything of value nor did the computer dispense anything of value. The individual computer terminals functioned only through a connection to a server. Customer's cards themselves had no value and only served as identification for the customer. The computer terminals did not function through the insertion of cash or anything of value. Additionally, the computers did not dispense cash or anything of value; all prizes were collected at the front desk. Use of the computer terminals to reveal sweepstakes entries were free. Customers did not expend their internet access time to reveal results.

INFRINGEMENT OF THE '082 AND '603 PATENTS

65. The '082 Patent and the '603 Patent are directed to systems and methods for playing a player-interactive sweepstakes game, including promotional sweepstakes and

promotional lotteries, involving a gaming piece that includes a code that includes data indicating whether the player wins or loses an amusement game and a lottery-type sweepstakes game.

66. The computer based sweepstakes game systems offered by Defendants at internet centers or internet cafés in this federal district offered promotional lottery games to the public pursuant to which the participant in such game, through chance alone, may win a prize for her participation in such game.

67. The computer based sweepstakes game systems offered for sale by Defendants at internet centers or internet cafés in this federal district directly infringe, contributorily infringe, induce others to infringe, or are used to practice processes that infringe, one or more claims of the '082 Patent and '603 Patent, including but not limited to at least claim 10 of the '082 Patent and claim 7 of the '603 Patent.

68. The computer based sweepstakes game systems made, marketed, licensed, sold and maintained by Defendants at internet centers or internet cafés in this federal district directly infringe, contributorily infringe, induce others to infringe, or are used to practice processes that infringe, one or more claims of the '082 Patent and '603 Patent, including but not limited to at least claim 10 of the '082 Patent and claim 7 of the '603 Patent.

69. The computer based sweepstakes game systems Defendants use, operate, manage and offer for sale to the public at internet centers or internet cafés in this federal district directly infringe, contributorily infringe, induce others to infringe, or are used to practice processes that infringe, one or more claims of the '082 Patent and '603 Patent, including but not limited to at least claim 10 of the '082 Patent and claim 7 of the '603 Patent.

70. The computer based sweepstakes game products and systems made, used, marketed, licensed, sold and maintained Defendants, and utilized by Defendants to market the

sale of internet access time to Defendant's customers at internet centers or internet cafés in this federal district, contain all the components of the interactive lottery type game systems described in claim 10 of the '082 Patent. One illustrative example is contained in the claim chart attached hereto as **Exhibit F**.

71. The computer based sweepstakes game products and systems made, used, marketed, licensed, sold and maintained by Defendants to market the sale of internet access time at internet centers or internet cafés in this federal district, contain all the components of the interactive lottery type game systems described in claim 7 of the '603 Patent. One illustrative example is contained in the claim chart attached hereto as **Exhibit G**.

72. Defendants have known about the '082 Patent and '603 Patent since at least 2010 when they were put on notice of the patents by the owner of SPC.

73. Plaintiff has been irreparably harmed by Defendants' infringement of its valuable patent rights.

74. Defendants' unauthorized, infringing use of Plaintiff's patented systems and methods has threatened the value of its intellectual property because Defendants' conduct results in Plaintiff's loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and/or importing the patented inventions.

75. Defendants' disregard for Plaintiff's property rights similarly threatens Plaintiff's relationships with potential licensees of this intellectual property.

76. Defendants derive a competitive advantage from using Plaintiff's patented technology without paying compensation for such use.

77. Defendants' continued acts of infringement will cause, Plaintiff to suffer further irreparable harm for which there is no adequate remedy at law.

78. Plaintiff has engaged the undersigned attorneys and agreed to pay them a reasonable fee.

**COUNT I AGAINST ALLIED AND ALLIED MANAGEMENT
PATENT INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

79. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

80. This is a count for direct patent infringement under the laws of the United States against ALLIED and ALLIED MANAGEMENT.

81. ALLIED MGMT is 100% owned by ALLIED.

82. Defendants ALLIED and ALLIED MANAGEMENT use, sell, and offer to sell computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or infringe by equivalents, at least claim 10 of the '082 Patent.

83. Defendants ALLIED and ALLIED MANAGEMENT's computer based sweepstakes game products and systems perform each and every step of claim 10 of the '082 Patent or their equivalents.

84. Defendants ALLIED and ALLIED MANAGEMENT's computer based sweepstakes game products and systems infringe claim 10 of the '082 Patent.

85. Defendants ALLIED and ALLIED MANAGEMENT's infringement has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

86. The owner of SPC previously informed Defendants ALLIED and ALLIED MANAGEMENT of the '082 Patent and the relevance of this patent to Defendants' sweepstakes game products and systems. Notwithstanding Defendants ALLIED and ALLIED

MANAGEMENT's knowledge of the '082 Patent, Defendants ALLIED and ALLIED MANAGEMENT continued its infringement.

87. Defendants ALLIED and ALLIED MANAGEMENT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless Defendants ALLIED and ALLIED MANAGEMENT are enjoined by this Court, such acts of willful infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

88. Plaintiff is entitled to recover damages adequate to compensate for the infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT II AGAINST ALLIED AND ALLIED MANAGEMENT
PATENT INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

89. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

90. This is a count for direct patent infringement under the laws of the United States against ALLIED and ALLIED MANAGEMENT.

91. ALLIED MGMT is 100% owned by ALLIED.

92. Defendant ALLIED and ALLIED MANAGEMENT use, sell, and offer to sell computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or infringe by equivalents, at least claim 7 of the '603 Patent.

93. ALLIED and ALLIED MANAGEMENT's computer based sweepstakes game products and systems perform each and every step of claim 7 of the '603 Patent or their equivalents.

94. ALLIED and ALLIED MANAGEMENT's infringement has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

95. The owner of SPC previously informed ALLIED and ALLIED MANAGEMENT of the '603 Patent and the relevance of this patent to ALLIED and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding ALLIED and ALLIED MANAGEMENT's knowledge of the '603 Patent, ALLIED and ALLIED MANAGEMENT continued its infringement.

96. ALLIED and ALLIED MANAGEMENT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless ALLIED and ALLIED MANAGEMENT is enjoined by this Court, such acts of willful infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

97. Plaintiff is entitled to recover damages adequate to compensate for the infringement of the '603 Patent, as well as additional damages for willful infringement.

**COUNT III AGAINST ALLIED AND ALLIED MANAGEMENT
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

98. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

99. This is a count for inducement of patent infringement under the laws of the United States against ALLIED and ALLIED MANAGEMENT.

100. ALLIED MGMT is 100% owned by ALLIED.

101. ALLIED, through ALLIED MANAGEMENT, sponsors, directs, coordinates and profits from the operation of internet sweepstakes centers and internet sweepstakes cafes by the operators of those internet cafes.

102. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet

sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

103. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers owned, operated, and directed by ALLIED and ALLIED MANAGEMENT for the specific purpose of enabling the internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

104. ALLIED and ALLIED MANAGEMENT directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

105. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

106. ALLIED and ALLIED MANAGEMENT directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 10 of the '082 Patent.

107. ALLIED and ALLIED MANAGEMENT has been and continues inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent, and will continue to do so unless enjoined by this Court.

108. ALLIED's and ALLIED MANAGEMENT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

109. The owner of SPC previously informed ALLIED and ALLIED MANAGEMENT of the '082 Patent and the relevance of this patent to ALLIED's and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding ALLIED's and ALLIED MANAGEMENT's knowledge of the '082 Patent, ALLIED and ALLIED MANAGEMENT have continued to induce infringement.

110. ALLIED's and ALLIED MANAGEMENT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless ALLIED and ALLIED MANAGEMENT are enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

111. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT IV AGAINST ALLIED AND ALLIED MANAGEMENT
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

112. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

113. This is a count for inducement of patent infringement under the laws of the United States against ALLIED and ALLIED MANAGEMENT.

114. ALLIED MGMT is 100% owned by ALLIED.

115. ALLIED and ALLIED MANAGEMENT receive funds from the operation of the internet sweepstakes centers and internet sweepstakes cafes.

116. ALLIED, through ALLIED MANAGEMENT, sponsors, directs, coordinates and profits from the operation of internet sweepstakes centers and internet sweepstakes cafes by the operators of those internet cafes.

117. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

118. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers owned, operated, and directed by ALLIED and ALLIED MANAGEMENT for the specific purpose of enabling the internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

119. ALLIED and ALLIED MANAGEMENT directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

120. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

121. ALLIED and ALLIED MANAGEMENT directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 7 of the '603 Patent.

122. ALLIED and ALLIED MANAGEMENT has been and continues inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent, and will continue to do so unless enjoined by this Court.

123. ALLIED's and ALLIED MANAGEMENT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

124. The owner of SPC previously informed ALLIED and ALLIED MANAGEMENT of the '603 Patent and the relevance of this patent to ALLIED's and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding ALLIED's and ALLIED MANAGEMENT's knowledge of the '603 Patent, ALLIED and ALLIED MANAGEMENT have continued to induce infringement.

125. ALLIED's and ALLIED MANAGEMENT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless ALLIED and ALLIED MANAGEMENT are enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

126. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '603 Patent, as well as additional damages for willful infringement.

**COUNT V AGAINST IIT
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

127. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

128. This is a count for inducement of patent infringement under the laws of the United States against IIT.

129. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps

that make use of other systems or processes that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent.

130. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons, and these internet sweepstakes cafes or centers directly infringe at least claim 10 of the '082 Patent.

131. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 10 of the '082 Patent or their equivalents.

132. IIT's licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 10 of the '082 Patent.

133. IIT has been and continues inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent, and will continue to do so unless enjoined by this Court.

134. IIT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

135. The owner of SPC previously informed IIT of the '082 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding IIT's knowledge of the '082 Patent, IIT has continued to induce infringement.

136. IIT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless IIT is enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

137. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT VI AGAINST IIT
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

138. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

139. This is a count for inducement of patent infringement under the laws of the United States against IIT.

140. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent.

141. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons, and these internet sweepstakes cafes or centers directly infringe at least claim 7 of the '603 Patent.

142. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

143. IIT's licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 7 of the '603.

144. IIT has been and continues inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least at least claim 7 of the '603 Patent, and will continue to do so unless enjoined by this Court.

145. IIT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

146. The owner of SPC previously informed IIT of the '603 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding IIT's knowledge of the '603 Patent, IIT has continued to induce infringement.

147. IIT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless IIT is enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

148. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '603 Patent, as well as additional damages for willful infringement.

**COUNT VII AGAINST IIT
CONTRIBUTORY PATENT INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

149. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

150. This is a count for contributory patent infringement under the laws of the United States against IIT.

151. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

152. IIT's computer based sweepstakes game products and systems are material parts of the Plaintiff's invention.

153. IIT's computer based sweepstakes game products and systems are made or adapted for use in infringement of the '082 Patent.

154. IIT's computer based sweepstakes game products and systems are not staple articles of commerce.

155. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

156. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of at least claim 10 of the '082 Patent or their equivalents.

157. IIT has been and continues contributorily infringing at least claim 10 of the '082 Patent through the aforesaid acts, and will continue to do so unless enjoined by this Court.

158. IIT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

159. Plaintiff is entitled to recover damages adequate to compensate for the infringement.

**COUNT VIII AGAINST IIT
CONTRIBUTORY PATENT INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

160. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

161. This is a count for contributory patent infringement under the laws of the United States against IIT.

162. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

163. IIT's computer based sweepstakes game products and systems are material parts of the Plaintiff's invention.

164. IIT's computer based sweepstakes game products and systems are made or adapted for use in infringement of the '082 Patent.

165. IIT's computer based sweepstakes game products and systems are not staple articles of commerce.

166. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

167. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of at least claim 10 of the '082 Patent or their equivalents.

168. IIT has been and continues contributorily infringing at least claim 10 of the '082 Patent through the aforesaid acts, and will continue to do so unless enjoined by this Court.

169. IIT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

170. Plaintiff is entitled to recover damages adequate to compensate for the infringement.

**COUNT IX AGAINST BURNS
PATENT INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

171. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

172. This is a count for patent infringement under the laws of the United States against BURNS.

173. IIT is and was the alter ego of BURNS.

174. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that literally infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that literally infringe or infringe by equivalents, at least claim 10 of the '082 Patent.

175. IIT's computer based sweepstakes game products and systems perform each and every step of claim 10 of the '082 Patent or their equivalents.

176. IIT's computer based sweepstakes game products and systems infringe claim 10 of the '082 Patent.

177. IIT's infringement has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

178. The owner of SPC previously informed IIT of the '082 Patent and the relevance of this patent to Defendants' sweepstakes game products and systems. Notwithstanding IIT's knowledge of the '082 Patent, IIT continued its infringement.

179. IIT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless IIT are enjoined by this Court, such acts of willful infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

180. BURNS is liable for IIT's infringement as its alter ego. Burns acted beyond the scope of his duties as officer of IIT, committed fraud, and IIT was merely as sham entity for the benefit of Burns.

181. Plaintiff is entitled to recover damages adequate to compensate for the infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT X AGAINST BURNS
PATENT INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

182. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

183. This is a count for patent infringement under the laws of the United States against BURNS.

184. IIT is and was the alter ego of BURNS.

185. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that

literally infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that literally infringe or infringe by equivalents, at least claim 7 of the '603 Patent.

186. IIT's computer based sweepstakes game products and systems perform each and every step of claim 7 of the '603 Patent or their equivalents.

187. IIT's infringement has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

188. The owner of SPC previously informed IIT of the '603 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding IIT's knowledge of the '603 Patent, IIT continued its infringement.

189. IIT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless IIT is enjoined by this Court, such acts of willful infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

190. BURNS is liable for IIT's infringement as its alter ego. Burns acted beyond the scope of his duties as officer of IIT, committed fraud, and IIT was merely a sham entity for the benefit of Burns.

191. Plaintiff is entitled to recover damages adequate to compensate for the infringement of the '603 Patent, as well as additional damages for willful infringement.

**COUNT XI AGAINST BURNS
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

192. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

193. This is a count for inducement of patent infringement under the laws of the United States against Defendant Burns.

194. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent.

195. BURNS is the owner, chief executive, and director of IIT.

196. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

197. BURNS directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

198. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 10 of the '082 Patent or their equivalents.

199. BURNS directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 10 of the '082 Patent.

200. Burns has been and continues inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent, and will continue to do so unless enjoined by this Court.

201. Burns' wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

202. The owner of SPC previously informed Burns and IIT of the '082 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding Burns and IIT's knowledge of the '082 Patent, Burns has continued to induce infringement.

203. Burns' infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless Burns is enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

204. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT XII AGAINST BURNS
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

205. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

206. This is a count for inducement of patent infringement under the laws of the United States against Burns.

207. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent.

208. BURNS is the owner, chief executive, and director of IIT.

209. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

210. BURNS directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

211. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

212. BURNS directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 7 of the '603 Patent.

213. Burns has been and continues inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent, and will continue to do so unless enjoined by this Court.

214. Burns' wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

215. The owner of SPC previously informed Burns and IIT of the '603 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding Burns and IIT's knowledge of the '603 Patent, Burns has continued to induce infringement.

216. Burns' infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless Burns is enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

217. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '603 Patent, as well as additional damages for willful infringement.

**COUNT XIII AGAINST BASS, HESSONG, AND DUNCAN
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

218. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

219. This is a count for inducement of patent infringement under the laws of the United States against BASS, HESSONG, and DUNCAN.

220. ALLIED MGMT is 100% owned by ALLIED.

221. ALLIED and ALLIED MANAGEMENT receive funds from the operation of the internet sweepstakes centers and internet sweepstakes cafes.

222. ALLIED and ALLIED MANAGEMENT use, sell, and offer to sell computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or infringe by equivalents, at least claim 10 of the '082 Patent.

223. ALLIED and ALLIED MANAGEMENT sponsor, direct, coordinate and profit from the operation of the internet sweepstakes centers and internet sweepstakes cafes operated by third parties.

224. BASS, HESSONG, and DUNCAN are officers, directors and owners of ALLIED and ALLIED MGMT.

225. BASS, HESSONG, and DUNCAN directed, engaged in, committed, and benefitted from the infringement in this judicial district and division alleged herein.

226. ALLIED and ALLIED MGMT. were the alter egos of BASS, HESSONG, and DUNCAN.

227. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

228. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers owned, operated, and directed by BASS, HESSONG, and DUNCAN for the specific purpose of enabling the internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

229. BASS, HESSONG, and DUNCAN directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

230. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 10 of the '082 Patent or their equivalents.

231. BASS, HESSONG, and DUNCAN directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 10 of the '082 Patent.

232. BASS, HESSONG, and DUNCAN have been and continue inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent, and will continue to do so unless enjoined by this Court.

233. BASS, HESSONG, and DUNCAN's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

234. The owner of SPC previously informed BASS, HESSONG, and DUNCAN of the '082 Patent and the relevance of this patent to ALLIED's and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding BASS, HESSONG, and DUNCAN's knowledge of the '082 Patent, ALLIED and ALLIED MANAGEMENT continued to induce infringement.

235. BASS, HESSONG, and DUNCAN's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless BASS, HESSONG, and DUNCAN are enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

236. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT XIV AGAINST BASS, HESSONG, AND DUNCAN
INDUCEMENT OF INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

237. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

238. This is a count for inducement of patent infringement under the laws of the United States against BASS, HESSONG, and DUNCAN.

239. ALLIED MGMT is 100% owned by ALLIED.

240. ALLIED and ALLIED MANAGEMENT receive funds from the operation of the internet sweepstakes centers and internet sweepstakes cafes.

241. ALLIED and ALLIED MANAGEMENT use, sell, and offer to sell computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or infringe by equivalents, at least claim 7 of the '603 Patent.

242. ALLIED and ALLIED MANAGEMENT sponsor, direct, coordinate and profit from the operation of the internet sweepstakes centers and internet sweepstakes cafes operated by third parties.

243. BASS, HESSONG, and DUNCAN are officers, directors and owners of ALLIED and ALLIED MGMT.

244. BASS, HESSONG, and DUNCAN directed, engaged in, committed, and benefitted from the infringement in this judicial district and division alleged herein.

245. ALLIED and ALLIED MGMT. were the alter egos of BASS, HESSONG, and DUNCAN.

246. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

247. IIT licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers owned, operated, and directed by BASS, HESSONG, and

DUNCAN for the specific purpose of enabling the internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

248. BASS, HESSONG, and DUNCAN directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

249. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

250. BASS, HESSONG, and DUNCAN directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers with the affirmative intent to cause direct infringement of at least claim 7 of the '603 Patent.

251. BASS, HESSONG, and DUNCAN have been and continue inducing operators of internet sweepstakes cafes and centers to offer IIT's computer based sweepstakes game products and systems that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent, and will continue to do so unless enjoined by this Court.

252. BASS, HESSONG, and DUNCAN's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

253. The owner of SPC previously informed BASS, HESSONG, and DUNCAN of the '603 Patent and the relevance of this patent to ALLIED's and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding BASS, HESSONG, and DUNCAN's knowledge of the '603 Patent, ALLIED and ALLIED MANAGEMENT continued to induce infringement.

254. BASS, HESSONG, and DUNCAN's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless BASS, HESSONG, and DUNCAN are enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

**COUNT XV AGAINST IIT
JOINT INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

255. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

256. This is a count for joint patent infringement under the laws of the United States against IIT.

257. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent.

258. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 10 of the '082 Patent or their equivalents.

259. IIT's licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers.

260. IIT exercised control and direction over the entire process whereby internet sweepstakes cafes and centers offered IIT's computer based sweepstakes game products and systems to patrons that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent, such that every step of claim 10 of the '082 Patent or their equivalents is attributable to IIT.

261. IIT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

262. The owner of SPC previously informed IIT of the '082 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding IIT's knowledge of the '082 Patent, IIT has continued to commit joint infringement.

263. IIT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless IIT is enjoined by this Court, such acts of joint infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

264. Plaintiff is entitled to recover damages adequate to compensate for the joint infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT XVI AGAINST IIT
JOINT INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

265. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

266. This is a count for joint patent infringement under the laws of the United States against IIT.

267. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that directly infringe or infringe by equivalents, or which employ systems, components and/or steps that make use of other systems or processes that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent.

268. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

269. IIT's licensed its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers.

270. IIT exercised control and direction over the entire process whereby internet sweepstakes cafes and centers offered IIT's computer based sweepstakes game products and systems to patrons that directly infringe or which infringe by equivalents, at least claim 7 of the '603 Patent, such that every step of claim 7 of the '603 Patent or their equivalents is attributable to IIT.

271. IIT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

272. The owner of SPC previously informed IIT of the '603 Patent and the relevance of this patent to IIT's ongoing business operations. Notwithstanding IIT's knowledge of the '603 Patent, IIT has continued to commit joint infringement.

273. IIT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless IIT is enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

274. Plaintiff is entitled to recover damages adequate to compensate for the joint infringement of the '603 Patent, as well as additional damages for willful infringement.

**COUNT XVII AGAINST ALLIED AND ALLIED MANAGEMENT
JOINT INFRINGEMENT OF U.S. PATENT NO. 5,569,082**

275. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

276. This is a count for joint patent infringement under the laws of the United States against ALLIED and ALLIED MANAGEMENT.

277. ALLIED MGMT is 100% owned by ALLIED.

278. ALLIED, through ALLIED MANAGEMENT, sponsors, directs, coordinates and profits from the operation of internet sweepstakes centers and internet sweepstakes cafes by the operators of those internet cafes.

279. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

280. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

281. ALLIED and ALLIED MANAGEMENT directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers.

282. ALLIED and ALLIED MANAGEMENT exercised control and direction over the entire process whereby internet sweepstakes cafes and centers offered IIT's computer based sweepstakes game products and systems to patrons that directly infringe or which infringe by equivalents, at least claim 10 of the '082 Patent, such that every step of claim 10 of the '082 Patent or their equivalents is attributable to ALLIED and ALLIED MANAGEMENT.

283. ALLIED's and ALLIED MANAGEMENT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

284. The owner of SPC previously informed ALLIED and ALLIED MANAGEMENT of the '082 Patent and the relevance of this patent to ALLIED's and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding ALLIED's and ALLIED MANAGEMENT's knowledge of the '082 Patent, ALLIED and ALLIED MANAGEMENT have continued to induce infringement.

285. ALLIED's and ALLIED MANAGEMENT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '082 Patent, and unless ALLIED and ALLIED MANAGEMENT are enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

286. Plaintiff is entitled to recover damages adequate to compensate for the inducement of infringement of the '082 Patent, as well as additional damages for willful infringement.

**COUNT XIX AGAINST ALLIED AND ALLIED MANAGEMENT
JOINT INFRINGEMENT OF U.S. PATENT NO. 5,709,603**

287. Plaintiff realleges paragraphs 1 through 78 as if fully set forth herein.

288. This is a count for joint patent infringement under the laws of the United States against ALLIED and ALLIED MANAGEMENT.

289. ALLIED MGMT is 100% owned by ALLIED.

290. ALLIED and ALLIED MANAGEMENT receive funds from the operation of the internet sweepstakes centers and internet sweepstakes cafes.

291. ALLIED, through ALLIED MANAGEMENT, sponsors, directs, coordinates and profits from the operation of internet sweepstakes centers and internet sweepstakes cafes by the operators of those internet cafes.

292. Defendant IIT makes, uses, sells, offers to sell and/or imports into the United States for subsequent sale or use computer based sweepstakes game products and systems that IIT licensed to internet sweepstakes cafes or centers for the specific purpose of enabling internet sweepstakes cafes or centers to offer promotional sweepstakes and promotional lotteries to patrons.

293. IIT's computer based sweepstakes game products and systems when offered to patrons of internet sweepstakes cafes or centers performed each and every step of claim 7 of the '603 Patent or their equivalents.

294. ALLIED and ALLIED MANAGEMENT directed IIT to license its computer based sweepstakes game products and systems to internet sweepstakes cafes or centers.

295. ALLIED and ALLIED MANAGEMENT exercised control and direction over the entire process whereby internet sweepstakes cafes and centers offered IIT's computer based sweepstakes game products and systems to patrons that directly infringe or which infringe by equivalents, at least claim claim 7 of the '603 Patent, such that every step of claim 7 of the '603 Patent or their equivalents is attributable to ALLIED and ALLIED MANAGEMENT.

296. ALLIED's and ALLIED MANAGEMENT's wrongful conduct has caused Plaintiff to suffer irreparable harm resulting from the loss of its lawful patent rights to exclude others from making, using, selling, offering to sell and importing the patented inventions.

297. The owner of SPC previously informed ALLIED and ALLIED MANAGEMENT of the '603 Patent and the relevance of this patent to ALLIED's and ALLIED MANAGEMENT's ongoing business operations. Notwithstanding ALLIED's and ALLIED MANAGEMENT's knowledge of the '603 Patent, ALLIED and ALLIED MANAGEMENT have continued to commit joint infringement.

298. ALLIED's and ALLIED MANAGEMENT's infringement has been willful, deliberate and with knowledge of Plaintiff's rights under the '603 Patent, and unless ALLIED and ALLIED MANAGEMENT are enjoined by this Court, such acts of willful inducement of infringement will continue. Therefore, Plaintiff is without adequate remedy at law.

299. Plaintiff is entitled to recover damages adequate to compensate for the joint infringement of the '603 Patent, as well as additional damages for willful infringement.

WHEREFORE, Plaintiff seeks:

- a) Such damages as Plaintiff may have suffered but in no event less than a reasonable royalty pursuant to 35 U.S.C. § 284;
- b) A finding of willful infringement and an enhancement of damages;
- c) A determination that this is an exceptional case;
- d) An injunction preliminarily and permanently enjoining infringement;
- e) An award to Plaintiff of its attorneys' fees under 35 U.S.C. § 285;
- f) An award to Plaintiff of its costs; and
- g) Such other and further relief as to the Court appears just and proper.

DEMAND FOR JURY TRIAL

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

DATED: January 27, 2015

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 28, 2015, the foregoing document was electronically filed with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

/Joel B. Rothman/

Joel B. Rothman
FL Bar No. 98220

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