

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

**THRASOS, LLC,**

**Plaintiff,**

**v.**

**PAYPAL, INC.,**

**Defendant.**

**CIVIL ACTION NO. 2:16-cv-004**

**JURY TRIAL DEMANDED**

**COMPLAINT FOR PATENT INFRINGEMENT**

1. This is an action for patent infringement in which Thrasos, LLC (“Thrasos” or “Plaintiff”), makes the following allegations against PayPal, Inc. (“PayPal” or “Defendant”).

**PARTIES**

2. Plaintiff is a Texas limited liability company with its principal place of business at 1333 W. McDermott Drive, Suite 200, Allen, Texas 75013. Thrasos’s president is Daniel F. Perez.

3. On information and belief, Defendant PayPal, Inc., is a Delaware corporation with its principal place of business at 2221 North First Street, San Jose, California 95131. Defendant PayPal’s registered agent in Texas appears to be National Registered Agents, Inc., 1999 Bryan St., Ste. 900, Dallas, TX 75201.

**JURISDICTION AND VENUE**

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

5. Venue is proper in this district under 28 U.S.C. §§ 1391(c) and 1400(b). On information and belief, Defendant has transacted business in this district, and has committed and/or induced acts of patent infringement in this district.

6. On information and belief, PayPal is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this Judicial District.

**COUNT I**  
**INFRINGEMENT OF U.S. PATENT NO. 7,644,037**

7. Plaintiff is the owner by assignment of United States Patent No. 7,644,037 ("the '037 Patent") entitled "Method And System For Transferring Electronic Funds"— including all rights to recover for past and future acts of infringement. The '037 Patent issued on Jan. 5, 2010. A true and correct copy of the '037 Patent is attached as Exhibit A.

8. Upon information and belief, PayPal is making, made, having made, installing, installed, using, used, importing, imported, providing, provided, supplying, supplied, distributing, distributed, selling, sold, offering and/or offered for sale products, services and/or systems (the "infringing systems") that infringe or, when used by their intended users in the manner intended by PayPal, infringe(d) one or more claims of the '037 Patent in the State of Texas, in this judicial district, and elsewhere in the United States. Without limiting or waiving Plaintiff's right to later amend or supplement its Complaint, PayPal's infringing systems are advertised and marketed generally by PayPal as their "PayPal Checkout", "PayPal One Touch", and "PayPal Payments Pro" systems and/or services. The infringing systems link a PayPal user identity to a bank account or credit card account. The infringing systems enable a buyer to purchase from a seller without an exchange of financial account information between the buyer and the seller. The infringing systems receive indication from a seller of a purchase amount. The infringing systems secure funds for the purchase amount from the buyer's bank or credit card account, and provide the seller with confirmation that the purchase amount is secured. The infringing systems withdraw, debit or otherwise obtain funds from the buyer's bank or credit card account, and transfer the funds to the seller. The infringing systems provide notifications to both the buyer and the seller of the transaction. PayPal thus infringes one or more claims of the

'037 Patent. Defendant PayPal is thus liable for infringement of the '037 Patent pursuant to 35 U.S.C. § 271(a), (b) & (c).

## **COUNT II**

### **INFRINGEMENT OF U.S. PATENT NO. 8,032,457**

9. Plaintiff is the owner by assignment of United States Patent No. 8,032,457 (“the ‘457 Patent”) entitled “Method And System For Transferring Electronic Funds”– including all rights to recover for past and future acts of infringement. The ‘457 Patent issued on Oct. 4, 2011. A true and correct copy of the ‘457 Patent is attached as Exhibit B.

10. Upon information and belief, PayPal is making, made, having made, installing, installed, using, used, importing, imported, providing, provided, supplying, supplied, distributing, distributed, selling, sold, offering and/or offered for sale products, services and/or systems (the “infringing systems”) that infringe or, when used by their intended users in the manner intended by PayPal, infringe(d) one or more claims of the ‘457 Patent in the State of Texas, in this judicial district, and elsewhere in the United States. Without limiting or waiving Plaintiff’s right to later amend or supplement its Complaint, PayPal’s infringing systems are advertised and marketed generally by PayPal as their “PayPal Checkout”, “PayPal One Touch”, and “PayPal Payments Pro” systems and/or services. The infringing systems link a PayPal user identity to a bank account or credit card account. The infringing systems enable a buyer to purchase from a seller without an exchange of financial account information between the buyer and the seller. The infringing systems receive indication from a seller of a purchase amount. The infringing systems secure funds for the purchase amount from the buyer’s bank or credit card account, and provide the seller with confirmation that the purchase amount is secured. The infringing systems withdraw, debit or otherwise obtain funds from the buyer’s bank or credit card account, and transfer the funds to the seller. The infringing systems provide notifications to both the buyer and the seller of the transaction. PayPal thus infringes one or more claims of the ‘457 Patent. Defendant PayPal is thus liable for infringement of the ‘457 Patent pursuant to 35 U.S.C. § 271(a), (b) & (c).

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully requests that this Court enter:

1. A judgment in favor of Plaintiff that Defendant has infringed the '037 and '457 Patents;
2. A permanent injunction enjoining Defendant and its officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringement of the '037 and '457 Patents;
3. A judgment and order requiring Defendant to pay Plaintiff its damages, costs, expenses, and prejudgment and post-judgment interest for Defendant's infringement of the '037 and '457 Patents as provided under 35 U.S.C. § 284;
4. An award to Plaintiff for enhanced damages resulting from the knowing and deliberate nature of Defendant's prohibited conduct with notice made at least as early as the service date of this Complaint, as provided under 35 U.S.C. § 284;
5. A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding to Plaintiff its reasonable attorneys' fees; and
6. Any and all other relief to which Plaintiff may show itself to be entitled.

**DEMAND FOR JURY TRIAL**

Plaintiff, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

January 4, 2016

Respectfully Submitted,

**THRASOS, LLC**

By: /s/ Ronald W. Burns

Ronald W. Burns

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**ATTORNEY FOR PLAINTIFF**

**THRASOS, LLC**