

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

LEXOS MEDIA IP, LLC,

*Plaintiff,*

v.

COSTCO WHOLESALE CORP.,

*Defendant.*

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Civil Action No. \_\_\_\_\_

Jury Trial Demanded

**PLAINTIFF LEXOS MEDIA IP, LLC'S  
COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Lexos Media IP, LLC files this Complaint for patent infringement against Defendant Costco Wholesale Corp., and alleges as follows:

**PARTIES**

1. Plaintiff Lexos Media IP, LLC (“Lexos Media”) is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business located at 555 Republic Drive, 2nd Floor, Plano, Texas 75074.

2. Upon information and belief, Defendant Costco Wholesale Corp. (“Costco”) is a corporation organized and existing under the laws of the State of Washington, with its principal place of business located at 999 Lake Drive, Issaquah, Washington 98027. Costco may be served with process through its registered agent CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201.

**JURISDICTION AND VENUE**

3. This is an action for patent infringement arising under the patent laws of the United States of America, Title 35, United States Code.

4. This Court has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

5. Upon information and belief, Costco is subject to the specific personal jurisdiction of this Court because Lexos Media's claims for patent infringement against Costco arise from Costco's acts of infringement in the State of Texas. These acts of infringement include selling infringing products in the State of Texas, placing infringing products into the stream of commerce through an established distribution channel with full awareness that substantial quantities of the products have been shipped into the State of Texas, and operating an interactive website facilitating the sale of infringing products in the State of Texas. Therefore, this Court has personal jurisdiction over the Costco under the Texas long-arm statute, TEX. CIV. PRAC. & REM. CODE §17.042.

6. Venue is proper in this district under 28 U.S.C. §§ 1391(c) and 1400(b). Upon information and belief, Costco has engaged in acts of infringement in the State of Texas described above sufficient to subject it to personal jurisdiction in this district if the district were a separate State.

#### **ASSERTED PATENTS**

7. On November 30, 1999, the United States Patent and Trademark Office issued United States Patent No. 5,995,102 ("the '102 Patent") entitled "Server system and method for modifying a cursor image," a true copy of which is attached as Exhibit 1.

8. On September 12, 2000, the United States Patent and Trademark Office issued United States Patent No. 6,118,449 ("the '449 Patent") entitled "Server system and method for modifying a cursor image," a true copy of which is attached as Exhibit 2.

9. Lexos Media is the owner by assignment of the Asserted Patents and owns all right, title, and interest in the Asserted Patents, including the right to sue for and recover all past, present, and future damages for infringement of the Asserted Patents.

#### **ACCUSED INSTRUMENTALITY**

10. Costco has made, imported, used, offered for sale, and/or sold certain server systems and methods for modifying a cursor image, including those available by and through its website <http://www.costco.com/> and its related webpages that infringe the Asserted Patents (“the Accused Instrumentality”).

#### **FIRST CLAIM FOR RELIEF (Infringement of the '102 Patent)**

11. Lexos Media incorporates paragraphs 1 through 10 as though fully set forth herein.

12. Upon information and belief, Costco has been and is now directly and/or indirectly infringing one or more claims of the '102 Patent by (1) making, importing, using, offering for sale, and/or selling the patented inventions and/or (2) by actively inducing others to use the patented inventions in an infringing manner.

13. More particularly, without limitation, upon information and belief, Costco is now directly infringing one or more claims of the '102 Patent by making, importing, using (including use for testing purposes), offering for sale, and/or selling the Accused Instrumentality, all in violation of 35 U.S.C. § 271(a). The Accused Instrumentality includes one or more of the server systems and methods for modifying a cursor image described and claimed in the '102 Patent.

14. In addition, or in the alternative, Costco has been and is now indirectly infringing one or more claims of the Asserted Patents by inducing customers to use the Accused

Instrumentality to directly infringe one or more claims of the '102 Patent in violation of 35 U.S.C. § 271(b).

15. In accordance with Claim 70 of the '102 Patent, for example, the Accused Instrumentality comprises a server system for modifying a cursor image to a specific image having a desired shape and appearance displayed on a display of a remote user's terminal.

16. The Accused Instrumentality includes a cursor image data corresponding to said specific image.

17. The Accused Instrumentality includes a cursor display code, said cursor display code operably to modify said cursor image.

18. The Accused Instrumentality includes a first server computer for transmitting specified content information to said remote user terminal, said specified content information including at least one cursor display instruction indicating a location of said cursor image data, said cursor display instruction and said cursor display code operable to cause said user terminal to display a modified cursor image on said user's display in the shape and appearance of said specific image.

19. The specified content information is transmitted to said remote user terminal by said first server computer responsive to a request from said user terminal for said specified content information.

20. The specified content information further comprises information to be displayed on said display of said user's terminal, said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal.

21. The cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image

responsive to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal.

22. In accordance with Claim 71 of the '102 Patent, for example, the Accused Instrumentality comprises a server system for modifying a cursor image to a specific image having a desired shape and appearance displayed on a display of a remote user's terminal.

23. The Accused Instrumentality includes a cursor image data corresponding to said specific image.

24. The Accused Instrumentality includes a cursor display code, said cursor display code operable to modify said cursor image.

25. The Accused Instrumentality includes a first server computer for transmitting specified content information to said remote user terminal, said specified content information including at least one cursor display instruction indicating a location of said cursor image data, said cursor display instruction and said cursor display code operable to cause said user terminal to display a modified cursor image on said user's display in the shape and appearance of said specific image.

26. The specified content information is transmitted to said remote user terminal by said first server computer responsive to a request from said user terminal for said specified content information.

27. The specified content information further comprises information to be displayed on said display of said user's terminal, said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal.

28. The cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image

responsive to movement of said cursor image over a specified location on said display of said user's terminal.

29. Costco has been aware of the '102 Patent no later than the service of this complaint upon Costco.

30. Costco has engaged in indirect infringement by its conduct of providing its infringing Accused Instrumentality to end users of those products for the purpose of enabling those end users to use the Accused Instrumentality to directly infringe the '102 Patent. On information and belief, Costco has intended, and continues to intend, to induce such patent infringement by end users of its Accused Instrumentality, and has had knowledge that its inducing acts would cause infringement of the '102 Patent or has been willfully blind to the possibility that its inducing acts would cause direct infringement of the patent.

31. On information and belief, Costco's customers use the Accused Instrumentality and, when the customers use the Accused Instrumentality in accordance with Costco's instructions, the method for modifying a cursor image is performed as described and claimed in the '102 Patent. Thus, Costco's customers directly infringe the claimed methods of the '102 Patent by using the Accused Instrumentality. Because the performance of the claimed method for modifying a cursor image is an essential part of the functionality of the Accused Instrumentality, the Accused Instrumentality does not have any substantial uses that do not infringe the '102 Patent. In addition, Costco provides instructions to end users of its Accused Instrumentality instructing the end users how to use the Accused Instrumentality in a manner which directly infringes the '102 Patent. On information and belief, Costco is aware that the Accused Instrumentality performs the claimed method for modifying a cursor image and, therefore, that Costco's customers directly infringe the '102 Patent by using the Accused Instrumentality.

32. Lexos Media has been damaged by Costco's infringing activities.

**SECOND CLAIM FOR RELIEF  
(Infringement of the '449 Patent)**

33. Lexos Media incorporates paragraphs 1 through 10 as though fully set forth herein.

34. Upon information and belief, Costco has been and is now directly and/or indirectly infringing one or more claims of the '449 Patent by (1) making, importing, using, offering for sale, and/or selling the patented inventions and/or (2) by actively inducing others to use the patented inventions in an infringing manner.

35. More particularly, without limitation, upon information and belief, Costco is now directly infringing one or more claims of the '449 Patent by making, importing, using (including use for testing purposes), offering for sale, and/or selling the Accused Instrumentality, all in violation of 35 U.S.C. § 271(a). The Accused Instrumentality includes one or more of the server systems and methods for modifying a cursor image described and claimed in the '449 Patent.

36. In addition, or in the alternative, Costco has been and is now indirectly infringing one or more claims of the Asserted Patents by inducing customers to use the Accused Instrumentality to directly infringe one or more claims of the '449 Patent in violation of 35 U.S.C. § 271(b).

37. In accordance with Claim 1 of the '449 Patent, for example, the Accused Instrumentality comprises a server system for modifying a cursor image to a specific image having a desired shape and appearance displayed on a display of a remote user's terminal.

38. The Accused Instrumentality includes a cursor image data corresponding to said specific image.

39. The Accused Instrumentality includes a cursor display code, said cursor display code operable to modify said cursor image.

40. The Accused Instrumentality includes a first server computer for transmitting specified content information to said remote user terminal, said specified content information including at least one cursor display instruction indicating a location of said cursor image data, said cursor display instruction and said cursor display code operable to cause said user terminal to display a modified cursor image on said user's display in the shape and appearance of said specific image.

41. The specified content information is transmitted to said remote user terminal by said first server computer responsive to a request from said user terminal for said specified content information.

42. The specified content information further comprises information to be displayed on said display of said user's terminal, said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal.

43. The cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a display of said at least a portion of said information to be displayed on said display of said user's terminal.

44. The specific image relates to at least a portion of said information to be displayed on said display of said remote user's terminal.

45. In accordance with Claim 27 of the '449 Patent, for example, the Accused Instrumentality comprises a server system for modifying a cursor image to a specific image having a desired shape and appearance displayed on a display of a remote user's terminal.



46. The Accused Instrumentality includes cursor image data corresponding to said specific image.

47. The Accused Instrumentality includes cursor display code, said cursor display code operable to modify said cursor image.

48. The Accused Instrumentality includes a first server computer for transmitting specified content information to said remote user terminal, said specified content information including at least one cursor display instruction indicating a location of said cursor image data, said cursor display instruction and said cursor display code operable to cause said user terminal to display a modified cursor image on said user's display in the shape and appearance of said specific image.

49. The specified content information is transmitted to said remote user terminal by said first server computer responsive to a request from said user terminal for said specified content information.

50. The specified content information further comprises information to be displayed on said display of said user's terminal, said specific image including content corresponding to at least a portion of said information to be displayed on said display of said user's terminal.

51. The cursor display code is operable to process said cursor display instruction to modify said cursor image to said cursor image in the shape and appearance of said specific image in response to movement of said cursor image over a specified location on said display of said user's terminal.

52. The specific image relates to at least a portion of said information to be displayed on said display of said remote user's terminal.

53. Costco has been aware of the '449 Patent no later than the service of this complaint upon Costco.

54. Costco has engaged in indirect infringement by its conduct of providing its infringing Accused Instrumentality to end users of those products for the purpose of enabling those end users to use the Accused Instrumentality to directly infringe the '449 Patent. On information and belief, Costco has intended, and continues to intend, to induce such patent infringement by end users of its Accused Instrumentality, and has had knowledge that its inducing acts would cause infringement of the '449 Patent or has been willfully blind to the possibility that its inducing acts would cause direct infringement of the patent.

55. On information and belief, Costco's customers use the Accused Instrumentality and, when the customers use the Accused Instrumentality in accordance with Costco's instructions, the method for modifying a cursor image is performed as described and claimed in the '449 Patent. Thus, Costco's customers directly infringe the claimed methods of the '449 Patent by using the Accused Instrumentality. Because the performance of the claimed method for modifying a cursor image is an essential part of the functionality of the Accused Instrumentality, the Accused Instrumentality does not have any substantial uses that do not infringe the '449 Patent. In addition, Costco provides instructions to end users of its Accused Instrumentality instructing the end users how to use the Accused Instrumentality in a manner which directly infringes the '449 Patent. On information and belief, Costco is aware that the Accused Instrumentality performs the claimed method for modifying a cursor image and, therefore, that Costco's customers directly infringe the '449 Patent by using the Accused Instrumentality.

56. Lexos Media has been damaged by Costco's infringing activities.

### **DEMAND FOR JURY TRIAL**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Lexos Media hereby demands a trial by jury of all issues so triable.

### **PRAYER FOR RELIEF**

WHEREFORE, Lexos Media requests the following relief:

(a) A judgment in favor of Lexos Media that Costco has directly infringed and/or has indirectly infringed by way of inducement of one or more claims of the Asserted Patents;

(b) A judgment that Lexos Media has been irreparably harmed by the infringing activities of Costco, and is likely to continue to be irreparably harmed by Costco's continued infringement;

(c) A judgment and order requiring Costco to pay Lexos Media damages adequate to compensate for infringement under 35 U.S.C. § 284, which damages may include lost profits but in no event shall be less than a reasonable royalty for its usage made of the inventions of the Asserted Patents, including pre- and post-judgment interest and costs, including expenses and disbursements;

(d) A judgment awarding Lexos Media its costs as provided under FED. R. CIV. P. 54(d)(1);

(e) A judgment for pre- and post-judgment interest on all damages awarded;

(f) A judgment awarding Lexos Media post-judgment royalties; and

(g) Any and all such further necessary or proper relief as this Court may deem just and equitable.

Dated: July 11, 2016

Respectfully submitted,

**BUETHER JOE & CARPENTER, LLC**

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