# IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS TYLER DIVISION

VAULTET LLC,

Plaintiff,

v.

Civ. No. 6:17-cv-418

LIVE NATION ENTERTAINMENT, INC.,

Defendant.

JURY TRIAL DEMANDED

# ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

1. This is an action for patent infringement in which Vaultet LLC makes the following allegations against Live Nation Entertainment, Inc.

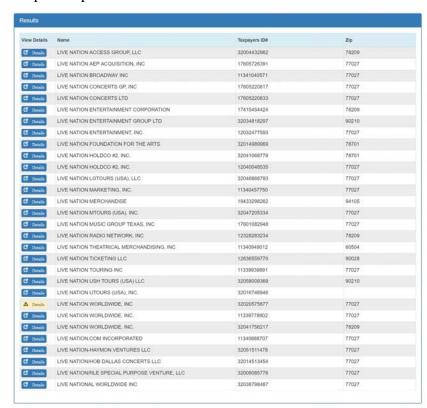
### **PARTIES**

- 2. Plaintiff Vaultet LLC ("Plaintiff" or "Vaultet") is a Texas limited liability company with its principal place of business at 5570 FM 423, Suite 250-2024, Frisco, Texas 75034.
- 3. On information and belief, Live Nation Entertainment, Inc. ("Defendant" or "Ticketmaster") is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 9348 Civic Center Drive, Beverly Hills, CA 90210.
- 4. Defendant is a global entertainment company that owns, leases, operates and has booking rights and/or equity interests in numerous entertainment venues in the United States. Ticketmaster is a subsidiary of Defendant, said subsidiary being a ticket sales and distribution company in the United States and overseas. Ticketmaster is the preeminent outlet for the purchase of tickets to entertainment and sporting events in the United States.
- 5. Defendant is registered to do business in the State of Texas, and has been since at least 2008. Defendant maintains a physical address in the State of Texas at 2000 West Loop S, Suite 1300, Houston, Texas 77027.



(https://mycpa.cpa.state.tx.us/coa/coaSearch.do)

6. Defendant has had numerous businesses registered to do business in Texas at one time, either past or present.



(https://mycpa.cpa.state.tx.us/coa/coaSearch.do)

7. Defendant no longer maintains any physical store locations, and only currently sells tickets online at ticketmaster.com, via Ticketmaster's mobile application, via the phone, or via the physical box office of "most venues."

#### Find a local Ticketmaster Retail Outlets

Local Ticketmaster Retail Outlets are no longer available.

Visit your venue to purchase locally or click the link below for additional points of purchase.

You may be interested in...

- · Points of purchase
- . Ticket Retail Outlet Refunds

## (http://help.ticketmaster.com/faqs/?tm link=tm homeA i faqs)

#### Points of purchase

These are the only locations available to purchase Ticketmaster Verfied tickets.

#### Online at ticketmaster.com (use the search bar at the top of the page)

Buy tickets securely, at your convenience, day or night, 365 days a year (Note: For a brief window, late each night, transactions are not processed, as our ticketing system undergoes maintenance.)

- · Find event and venue information 24 hours a day
- · Select Print at Home as your delivery option and you can print your tickets
- · Get venue information:
- Easy-to-read, color seating charts for most venues
- Venue information, such as directions and parking
- Schedule of all booked events

Mobile Get Our App - Available in the US and Canada

#### Charge-by-Phone

The Ticketmaster Express automated line is open 24/7 for anytime ticket sales: 866-448-7849. Prefer to talk to someone? For events in the US call 800-745-3000. Hours are Mon through Sat 9am - 6pm and Sun 12pm-6pm (your local time).

Need help with an event in Canada?

### Box Office (venue door)

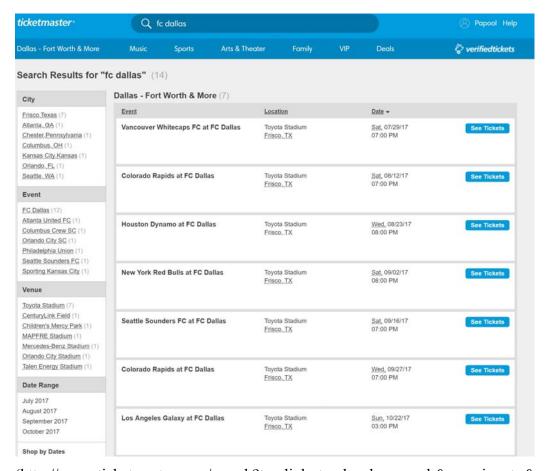
Located at most venues

Hours of operation vary

Venues typically sell tickets only for their events

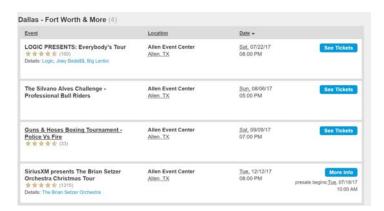
## (http://help.ticketmaster.com/points-of-purchase/)

- 8. On information and belief, numerous entertainment and sporting events occurring in the State of Texas, including in this District, have their tickets sold through Ticketmaster.
- 9. For example, tickets for the FC Dallas Soccer Club, which plays its home games at Toyota Stadium in Frisco, Texas, which is located in this District, are sold through Ticketmaster.



(http://www.ticketmaster.com/search?tm\_link=tm\_header\_search&user\_input=&q=fc+da llas)

- 10. On information and belief, fans within the District and elsewhere may purchase these FC Dallas tickets online, via the mobile app, and via phone.
- 11. By way of example, Ticketmaster sells tickets for events at the Allen Events Center in Allen, Texas, which is located in the District. On information and belief, these Ticketmaster tickets are sold to customers residing in the District and elsewhere online, via the mobile app, via phone, and in person at the Allen Events Center Box Office located in Allen Texas, in this District.



(http://www.ticketmaster.com/search?tm\_link=tm\_header\_search&user\_input=allen+events+center&q=allen+events+center)

#### **Box Office Numbers**

Venue Box Office (972) 912-1057

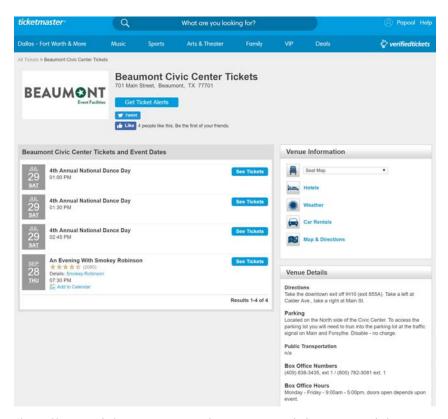
Premium, Suite, Sponsorship and Group Sales (972) 912-1077

#### **Box Office Hours**

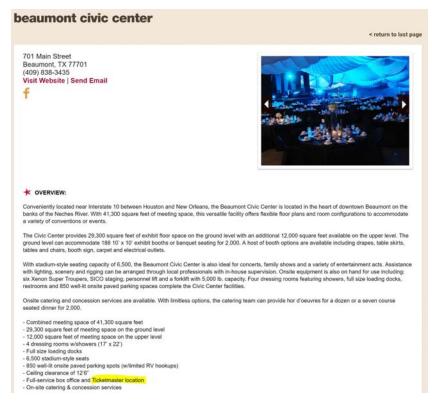
Monday – Friday 10 am to 6 pm Saturday – Closed (except if an event is scheduled) Sunday – Closed (except if an event is scheduled) Event Days: 10 am to 1/2 hour after event start

(http://www.ticketmaster.com/Allen-Event-Center-tickets-Allen/venue/99144)

12. By way of example, Ticketmaster sells tickets to events at the Beaumont Civic Center in Beaumont, TX, which is located in the District. On information and belief, these Ticketmaster tickets are sold to customers residing in the District and elsewhere online, via the mobile app, via phone, and in person at the Beaumont Civic Center Box Office located in Beaumont, Texas, in this District.

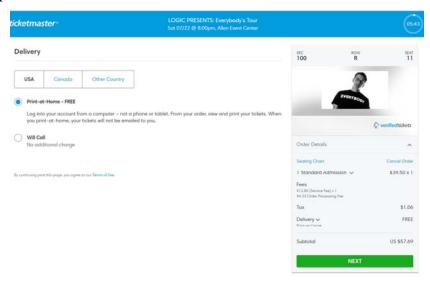


(http://www.ticketmaster.com/Beaumont-Civic-Center-tickets-Beaumont/venue/475511)



(http://www.beaumontcvb.com/listing/beaumont-civic-center/290/)

13. For purchases made by customers in the District, or in person at Box Offices selling physical, printed tickets issued by Ticketmaster, Ticketmaster collects Texas Sales Tax on these purchases.



(https://www.ticketmaster.com/checkout/order?v=x7NMLSSXEvslTpq0u1Auw4SBpZey 3EpmP\_2dDskDnT1pIY0FpZ82P6Kjh5G7nICVg\_eTNJgt1dwh69sDuZarfDXYaKO03T AA0b6sRMs8P82qcBWb3Z2wOjtdRTwpkv3wbw&lang=en-us&responsive=1)

## **JURISDICTION AND VENUE**

- 14. 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).
- 15. Venue is proper in this district under 28 U.S.C. §§ 1391(c) and 1400(b). Acts of infringement have occurred in this District, and Defendant has a regular and established place of business in the District.
- 16. Although Defendant does not maintain any physical stores in the District, Defendant maintains a physical inventory of tickets at the respective Box Offices of entertainment and sporting venues in the District for the purposes of selling physical, printed tickets to customers who reside within the District and elsewhere. Defendant also represents to the public, including, without limitation, through advertising and marketing on its website, that the Box Offices of entertainment and sporting venues in the District are physical locations whereby customers may purchase physical, printed Ticketmaster tickets.

- 17. Accordingly, Defendant has made, and continues to make, representations that it has a presence in the District.
- 18. Defendant receives the benefits of tickets sold to customers in the District (whether it be online, via the mobile app, via the phone, or in person at a Box Office in the District) by receive revenue, including fees associated with each and every ticket purchase transaction, in this District.
- 19. Defendant interacts in a targeted way with existing or potential customers, consumers, users, or entities in the District. The Defendant intentionally markets and sells tickets to customers in the District regarding events occurring both in and out of the District. The Defendant makes no effort to exclude customers in the District. The Defendant also has agreements with venues and organizations in the District to sell tickets to events occurring in the District.
- 20. On information and belief, Defendant 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. 7,814,009**

- 21. Plaintiff is the owner of United States Patent No. 7,814,009 ("the '009 patent") entitled "Anonymous On-Line Cash Management System." The '009 Patent issued on October 12, 2010. A true and correct copy of the '009 Patent is attached as Exhibit A.
- 22. Defendant owns, uses, operates, advertises, controls, sells, and otherwise provides products and/or services that infringe the '009 patent. The '009 patent provides, among other things, "A system for anonymously transferring funds electronically between a customer and an on-line merchant comprising: an account seller capable of receiving cash from a customer; a central computer server capable of receiving notification from the account seller of the amount of cash received from the customer, transferring an amount of electronic currency corresponding to the amount that the account seller received from the customer from a bank account of the

account seller to a central bank account, generating one or more random account numbers corresponding to said central bank account, storing said one or more account numbers, transmitting said one or more account numbers to said account seller, and authenticating said one or more account numbers when presented by an on-line merchant; and a computer network capable of communicating between said account seller, said central computer server, said bank account of the account seller and said central bank."

- 23. Defendant directly and/or through intermediaries, made, has made, used, imported, provided, supplied, distributed, sold, and/or offered for sale products and/or services that infringed one or more claims of the '009 patent, including at least Claim 10, in this district and elsewhere in the United States. By making, using, importing, offering for sale, and/or selling such products and services, and all like products and services, Defendant has injured Plaintiff and is thus liable for infringement of the '009 patent pursuant to 35 U.S.C. § 271.
- 24. Based on present information and belief, the Defendant utilizes a system that anonymously transfers funds electronically (e.g. Defendant allows a user to transfer funds to an on-line merchant without revealing any information regarding the source account to the merchant by using gift cards or Mastercard Masterpass Checkout) between a customer (e.g. a customer making a purchase) and an on-line merchant (e.g. the Defendant). The Defendant sells Gift Cards that can be used on their website. The Defendant also accepts Mastercard Masterpass Checkout as a method of payment on their website.
- 25. On information and belief, the Defendant utilizes an account seller (e.g. the defendant's shopping cart/checkout platform) capable of receiving cash from a customer (e.g. the Defendant's shopping cart/checkout platform allows a user to make payments using gift cards or Mastercard Masterpass Checkout, which can be funded by a user's debit card or bank account).
- 26. On information and belief, the Defendant utilizes a central computer server (e.g., the Defendant's e-commerce server) capable of receiving notification from the account seller (e.g. the Defendant's Shopping Cart/Checkout platform and integrated Mastercard Masterpass API) of the amount of cash received from the customer (e.g. the Defendant's Shopping Cart/Checkout platform and integrated Mastercard Masterpass API will inform the Defendant's e-commerce server of the payment amount). On information and belief, the central computer server (e.g., the Defendant's e-commerce server) also transfers an amount of electronic currency corresponding to the amount that the account seller received from the customer (e.g. the

Defendant's e-commerce server will transfer electronic funds corresponding to the amount a customer paid to a gift card's or Mastercard Masterpass balance) from a bank account of the seller (e.g. an intermediary Mastercard Masterpass bank account or gift card balance storage server) to a central bank account (e.g. the Defendant's Bank account and a linked server storing gift card balances).

- On information and belief, the Defendant generates one or more random account numbers (e.g., gift card numbers) corresponding to said central bank account (e.g., the Defendant's bank account and linked database server that stores gift card balances), storing said one or more account numbers (e.g., the Defendant's database server will store gift card numbers that have been issued). On information and belief, the Defendant also transmits said one or more account numbers (e.g. gift card numbers to said account seller [e.g., Defendant's Shopping Cart/Checkout platform]), and authenticates said one or more account numbers when presented by an on-line merchant (e.g. the defendant will authenticate gift card numbers when they are used at their website to make purchases).
- 28. Based on present information and belief, the accused system employs a computer network (e.g., the internet) capable of communicating between said account seller (e.g. the Defendant's Shopping Cart/Checkout platform with integrated Mastercard Masterpass API), said central computer server (e.g. the Defendant's e-commerce server), said bank account of the account seller (e.g. Mastercard Masterpass's bank account) and said central bank (e.g. the Defendant's bank account and linked database server storing gift card balances).
- 29. In the alternative, because the manner of use by Defendant differs in no substantial way from language of the claims, if Defendant is not found to literally infringe, Defendant infringes under the doctrine of equivalents.
- 30. Defendant's aforesaid activities have been without authority and/or license from Plaintiff.
- 31. In addition to what is required for pleadings in patent cases, and to the extent any marking was required by 35 U.S.C. § 287, Plaintiff and all predecessors in interest to the '009 Patent complied with all marking requirements under 35 U.S.C. § 287.
- 32. Plaintiff is entitled to recover from Defendant the damages sustained by Plaintiff as a result of the Defendant's wrongful acts in an amount subject to proof at trial, which, by law,

cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

## **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully requests that this Court enter:

- 1. A judgment in favor of Plaintiff that Defendant has infringed the '009 Patent;
- 2. 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 '009 Patent as provided under 35 U.S.C. § 284;
- 3. An award to Plaintiff for enhanced damages resulting from the knowing, deliberate, and willful nature of Defendant's prohibited conduct with notice being made at least as early as the date of the filing of this Complaint, as provided under 35 U.S.C. § 284;
- 4. 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
  - 5. 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.

Respectfully Submitted,

VAULTET LLC

/s/ Papool S. Chaudhari

Dated: July 18, 2017

By: \_\_\_\_\_

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