

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

ELECTRONIC RECEIPTS DELIVERY §
SYSTEMS, LLC, §
§
Plaintiff, §
§
vs. §
§
FLORISTS TRANSWORLD DELIVERY, §
INC., §
§
Defendant. §
_____ §

Case No:
PATENT CASE

COMPLAINT

Plaintiff Electronic Receipts Delivery Systems, LLC (“Plaintiff” or “ERDS”) files this Complaint against Florists Transworld Delivery, Inc. (“Defendant” or “FTD”) for infringement of United States Patent No. 8,534,551 (hereinafter “the ‘551 Patent”).

PARTIES AND JURISDICTION

1. This is an action for patent infringement under Title 35 of the United States Code. Plaintiff is seeking injunctive relief as well as damages.
2. Jurisdiction is proper in this Court pursuant to 28 U.S.C. §§ 1331 (Federal Question) and 1338(a) (Patents) because this is a civil action for patent infringement arising under the United States patent statutes.
3. Plaintiff is a Texas limited liability company with its principal office located at 1400 Preston Rd., Suite 400, Plano, TX 75093.
4. Upon information and belief, Defendant is a Delaware corporation with a principal place of business at 3113 Woodcreek Drive, Downers Grove, IL 60515. This Court

has personal jurisdiction over Defendant because Defendant has committed, and continues to commit, acts of infringement in this District, has conducted business in this District, and/or has engaged in continuous and systematic activities in this District.

5. Upon information and belief, Defendant's instrumentalities that are alleged herein to infringe were and continue to be used, imported, offered for sale, and/or sold in this District.

VENUE

6. Venue is proper in this District pursuant to 28 U.S.C. §§ 1400(b) because acts of infringement are occurring in this District and because Defendant has a regular and established place of business in this District. Defendant has network of FTD member florists throughout the United States. Each of these florists represents a regular and established place of business. For example, on information and belief, Defendant has a place of business located at Bloom Couture Floral Art at 8404 Preston Rd., Suite 204, Plano, TX 75024. On information and belief, Defendant has other regular and established places of business in this District.

COUNT I **(INFRINGEMENT OF UNITED STATES PATENT NO. 8,534,551)**

7. Plaintiff incorporates paragraphs 1 through 6 herein by reference.

8. This cause of action arises under the patent laws of the United States and, in particular, under 35 U.S.C. §§ 271, *et seq.*

9. Plaintiff is the owner by assignment of the '551 Patent with sole rights to enforce the '551 Patent and sue infringers.

10. A copy of the '551 Patent, titled "System and Method for Issuing Digital Receipts for Purchase Transactions Over a Network," is attached hereto as Exhibit A.

11. The '551 Patent is valid, enforceable, and was duly issued in full compliance with

Title 35 of the United States Code.

12. Upon information and belief, Defendant has infringed and continues to infringe one or more claims, including at least claim 11, of the ‘551 patent by using payment systems that issue digital receipts to customers upon completion of a payment transaction in a manner covered by one or more claims of the ‘551 Patent. Specifically, Defendant provides its network florists with an app (the FTD Mercury Retail ToGo app) and a point of sale terminal/swiper (e.g., Mercury Point of Sales) (the “System”) that issues digital receipts. Defendant has infringed and continues to infringe the ‘551 patent either directly or through acts of contributory infringement or inducement in violation of 35 U.S.C. § 271.

13. Regarding Claim 11, the System includes a communication mechanism configured to receive, from a point of sale terminal via a network, information identifying a first credit card account of a customer and information about a transaction. For example, publicly available information indicates that the System (app and POS) receives a first credit card account (e.g., credit card number) and information about a transaction (e.g., amount due). These elements are illustrated below:

The accused product is a terminal (e.g. FTD Mercury Retail ToGo App for mobile and swiper integrated with POS) for issuing a digital receipt (e.g. emailed or text receipt) for a purchase transaction.



FTD Mercury Retail ToGo



FTD Mercury Retail ToGo

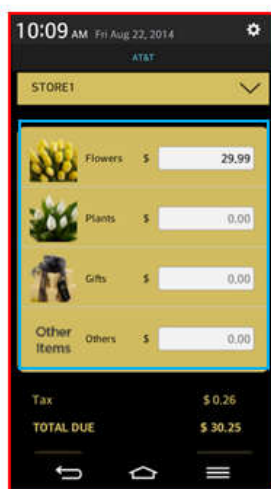
The latest and greatest technology advancement from FTD Mercury is now available on your smartphone!

FTD Mercury Retail ToGo allows you to quickly process cash and carry sales anywhere using an iPhone or Android device and a credit card reader that are fully-integrated with Mercury Point of Sale.¹

Description

FTD Mercury Retail ToGo allows you to quickly process cash and carry sales anywhere using your Android device and swiper that are fully integrated with Mercury Point of Sales.

- Great for use at open houses, school fairs, conventions and other remote events
- Accept cash and credit card transactions that integrate with your Mercury Point of Sale System.
- Allows you to email or text receipts to your customers in an instant
- Specialized encryption for extra security
- Note: Swiper must be purchased from FTD to use with FTD Mercury Retail ToGo



<https://play.google.com/store/apps/details?id=com.ftd.ftdquicksale&hl=en>



FTD Mercury Retail ToGo

FTD Mercury Retail ToGo allows you to quickly process cash and carry sales anywhere using an iPhone or Android device and a credit card reader that are fully-integrated with Mercury Point of Sale.¹

<https://www.ftdi.com/mercurytechnology/retailToGo.htm>

FTD Mercury X5 Fall and Later Users

- You must be using FTD Mercury X5 Fall or later to take advantage of the FTD Mercury Retail ToGo mobile app, as it directly interfaces with your system.
- You must be connected to the Internet via your smartphone (either via 3G/4G or via a WiFi connection).

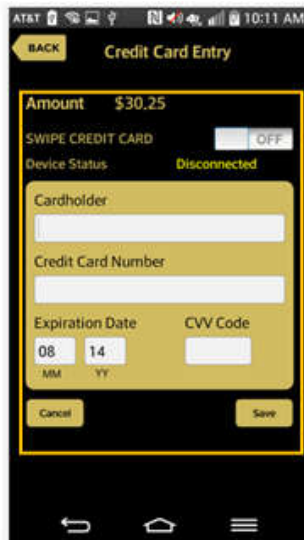
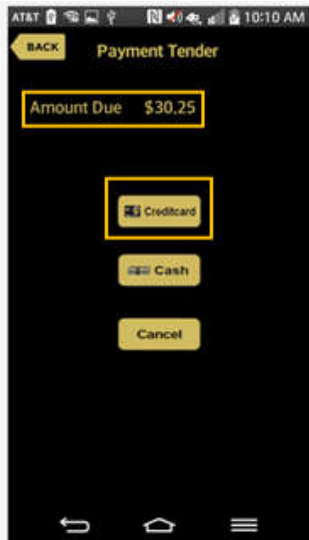
<https://www.ftdi.com/cashflo/equipment.htm>



¹ Mercury Point of Sale and FTD Cash-Flo are required.

² Credit card reader must be purchased from FTD for use with FTD Mercury Retail ToGo.

<https://www.ftdi.com/mercurytechnology/retailToGo.htm>



<https://play.google.com/store/apps/details?id=com.ftd.quick-sale&hl=en>

From the Credit Card entry screen, you can view the amount due and enter the credit card details. You can either swipe the card via an approved swipe device or enter the card details manually. This screen is accessed via the Payment Tender screen after tapping the Credit Card button.

http://floristwiki.ftdi.com/index.php/Credit_Card_Entry

14. The System also includes at least one database configured to store at least one first credit card account record (e.g., payment information such as credit card number and tax details) and at least one associated customer record (e.g., customer information such as who sent the order). These elements are illustrated below:



You must be running FTD Mercury X5 Fall or later to use the FTD Mercury Retail ToGo mobile app.

http://floristwiki.ftdi.com/index.php/New_and_Enhanced_in_FTD_Mercury_X5

FTD Mercury X5

FTD Mercury X5 adds support for:

- **EAPI Configuration:** Configure connection to the EROS Application Program Interface (EAPI), which replaces the MNAPI.
- **Data Replication:** Access a read-only database with targeted information from your FTD Mercury Database.

Once your system has been configured for the user database, you will receive read-only access to the user_data database. This database contains relevant information from the FTD Mercury database. After the system is licensed for the user database, a snapshot of the current information populates the user_data database. When information within the applicable tables is added, updated, or deleted, the user_data database is updated.

http://floristwiki.ftdi.com/index.php/Data_Replication

At a basic level, you will have access to the following information in the user_data database:

- **Customer information:** who sent the order
- **Payment information:** credit card and tax details



http://floristwiki.ftdi.com/index.php/Data_Replication

The Credit Card Search window allows you to search for transactions in your credit card log. Credit card information is stored in your FTD Mercury system automatically when a customer pays with a credit card. Credit cards that have been entered into the system manually or through voice or manual authorization are also stored in your system and are available to search through this feature.

http://floristwiki.ftdi.com/images/2/24/Chapter_13_-_Processing_and_Settling_Credit_Cards.pdf

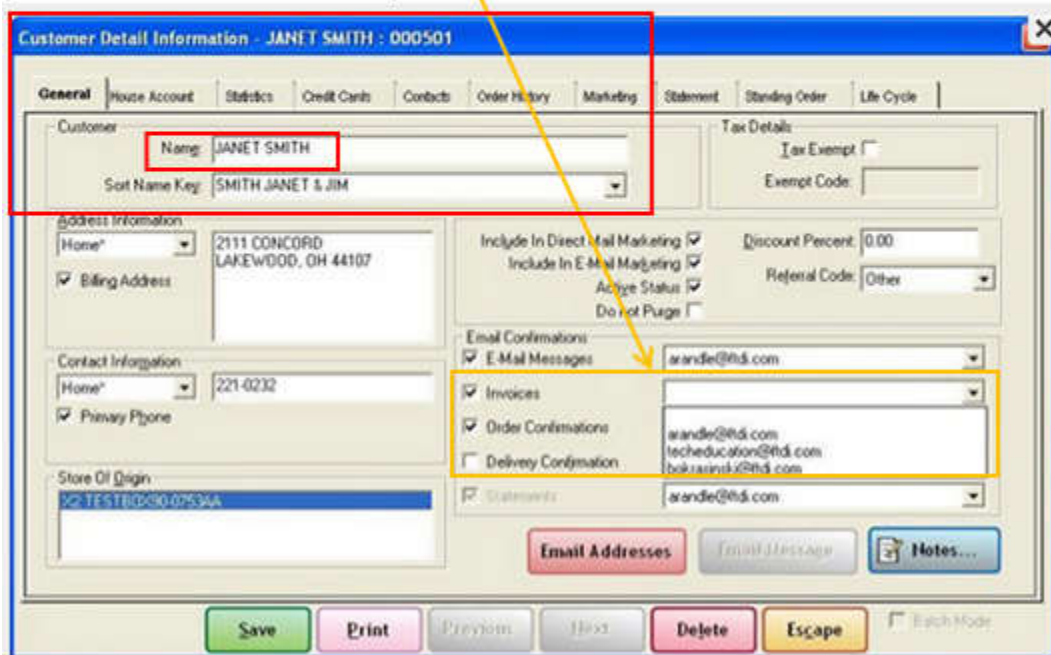
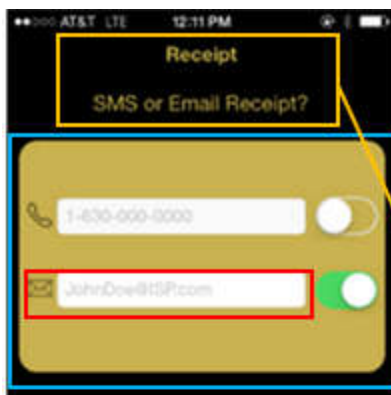
15. The customer record includes an indication of a destination for digital receipts (e.g., email address) wherein the destination is associated with the customer (e.g., the email address is the customer’s email address). These elements are illustrated below:



At a basic level, you will have access to the following information in the user_data database:

- Customer information: who sent the order
- Payment information: credit card and tax details

http://floristwiki.ftdi.com/index.php/SMS_and_Email_Entry



<https://www.ftdi.com/mercurytechnology/ftdmercury.htm>

16. The System also includes one or more computing devices (e.g., server, app,

and/or processor onboard the POS) configured to verify the first credit card account for an amount of the transaction (e.g., credit card authorization process during payment). These elements are illustrated below:



To swipe the card via the attached swipe device, toggle the Swipe Card slider to the

http://floristwiki.ftdi.com/index.php/Credit_Card_Entry

Credit Card Authorization In Progress

The Credit Card Authorization In Progress screen displays an "in progress" indicator during the authorization process and provides the authorization response.

Once the credit card has completed the authorization process, it will either be approved, declined, or display an error message. If the card has been approved, the Approved! message will appear on the screen for three seconds. Then the screen will display the Signature Capture screen. Cards that are declined will give you the option to cancel the transaction. If the error status is shown, the error code text will be displayed on the screen.

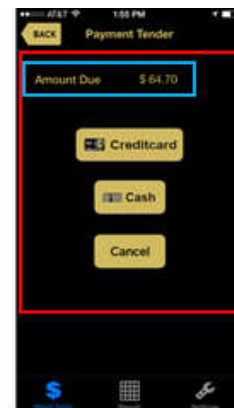
http://floristwiki.ftdi.com/index.php/Credit_Card_Entry

■ Swipe the card via the attached swipe device:

1. Toggle the Swipe Card slider to the right.
2. Ensure that the Device Status reads Connected.
3. Swipe the card via the attached swipe device.

The Credit Card Authorization In Progress screen appears.

http://floristwiki.ftdi.com/index.php/Credit_Card_Entry



Entering Payment Information



Third-party swipe devices must be compatible with iOS 7 and Android 4.3 mobile devices.

The Signature Capture screen provides a field to capture the cardholder's signature. This screen appears after the credit card has been authorized via the Credit Card Authorization In Progress screen.

http://floristwiki.ftdi.com/index.php/Signature_Capture

17. The computing devices also retrieve a first customer record from the at least one database based on the information identifying the first credit card account, and determine the destination associated with the customer. For example, a first customer record is retrieved from the database based on the account identifying information (e.g., credit card information). Then the computing devices determine the digital receipt destination associated with the customer (e.g., the customer email to which a digital receipt is sent). These elements are illustrated below:



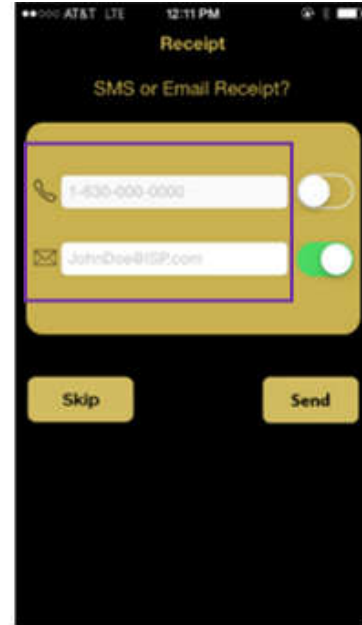
Processing Credit Cards

To accept a credit card as payment for an order, simply enter the order in Order Entry or Point of Sale and click **Complete**. When the **Payments** window opens, either swipe the credit card, or enter the credit card information. Ensure you select whether the customer is present for the sale. If you swipe the credit card, FTD Mercury will display the information in the payments grid. If you have not yet entered customer information, FTD Mercury automatically performs a customer lookup by credit card number when you swipe the card. If FTD Mercury finds a match, the customer information is displayed in the Payments window. If more than one customer matches the lookup, FTD Mercury displays all matches and allows you to select the correct customer.

If the credit card number is not already associated with a customer, the system associates the credit card number with the customer entered in the Customer area. If you are using the Point of Sale module, and you are using the default customer or no customer, the system does not associate the credit card number with any customer.

http://floristwiki.ftdi.com/images/2/24/Chapter_13_-_Processing_and_Settling_Credit_Cards.pdf

Field	Description
Phone Icon	<u>The cardholder's phone number.</u>
Message Icon	<u>The cardholder's email address.</u> You can enter as many email addresses as your mobile device supports.



Thank you for your purchase at *Store Name*.
Here is your receipt of your purchase of *\$Amount*.
Cardholder's Signature Image
We look forward to doing more business with you in the future!
Store Name

[http://floristwiki.ftdi.com/index.php/SMS and Email Entry](http://floristwiki.ftdi.com/index.php/SMS_and_Email_Entry)

18. The terminal (e.g., app, smartphone, and/or POS swiper component) is configured to automatically transmit a digital receipt for the transaction to the destination associated with the customer without input from the customer. For example, once a customer is “registered” for digital receipts, a digital receipt is sent to the customer on future transactions without additional customer input. These elements are illustrated below:

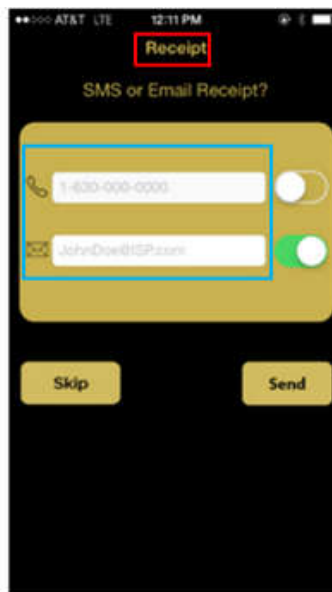


Easy E-mailing Other useful customer data that most POS applications capture are e-mail addresses, and many systems will automatically generate e-mail messages—for electronic receipts, delivery confirmation, e-mail marketing and much more. John Higginson, vice president of software development for FTD Group, Inc., reports that the Mercury system is capable of automatic e-mailing. BloomNet’s MAS partner and other systems also have such capabilities. Some POS systems also have features built in to generate quality e-mail marketing campaigns. “Through our partnership with Constant Contact, Inc., florists can run sophisticated marketing campaigns using their e-mail lists,” Mr. Higginson shares. “Constant Contact provides professionally created templates, or florists can create their own.” Constant Contact also manages opt-out lists and filters so customers who decline to receive such mailings are not included.

<http://www.floristsreview.com/main/february2008/featurestory0208.html>

Benefits

- Great for use at bridal shows, open houses, pop up retail locations and more!
- Accept cash or credit card transactions integrated with your Mercury Point of Sale software.
- Extra peace of mind with specialized encryption for extra security.²
- Email or text receipts to your customers in an instant.
- Be a leader in the industry by offering this revolutionary functionality.
- Only \$9.99/month for support and a one-time fee for a customized credit card reader.



<https://www.ftdi.com/mercurytechnology/retailToGo.htm>

[http://floristwiki.ftdi.com/index.php/SMS and Email Entry](http://floristwiki.ftdi.com/index.php/SMS_and_Email_Entry)



<https://www.ftdi.com/mercurytechnology/ftdmercury.htm>

The **Credit Card Search** window allows you to search for transactions in your credit card log. Credit card information is stored in your FTD Mercury system automatically when a customer pays with a credit card. Credit cards that have been entered into the system manually or through voice or manual authorization are also stored in your system and are available to search through this feature.

swipe the credit card, FTD Mercury will display the information in the payments grid. If you have not yet entered customer information, FTD Mercury automatically performs a customer lookup by credit card number when you swipe the card. If FTD Mercury finds a match, the customer information is displayed in the **Payments** window. If more than one customer matches the lookup, FTD Mercury displays all matches and allows you to select the correct customer.

[http://floristwiki.ftdi.com/images/2/24/Chapter 13 - Processing and Settling Credit Cards.pdf](http://floristwiki.ftdi.com/images/2/24/Chapter_13_-_Processing_and_Setting_Credit_Cards.pdf)

19. Defendant’s actions complained of herein will continue unless Defendant is enjoined by this court.

20. Defendant’s actions complained of herein are causing irreparable harm and

monetary damage to Plaintiff and will continue to do so unless and until Defendants are enjoined and restrained by this Court.

21. Plaintiff is in compliance with 35 U.S.C. § 287.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff asks the Court to:

(a) Enter judgment for Plaintiff on this Complaint on all causes of action asserted herein;

(b) Enter an Order enjoining Defendant, its agents, officers, servants, employees, attorneys, and all persons in active concert or participation with Defendant who receive notice of the order from further infringement of United States Patent No. 8,534,551 (or, in the alternative, awarding Plaintiff running royalties from the time of judgment going forward);

(c) Award Plaintiff damages resulting from Defendant's infringement in accordance with 35 U.S.C. § 284;

(d) Award Plaintiff pre-judgment and post-judgment interest and costs; and

(e) Award Plaintiff such further relief to which the Court finds Plaintiff entitled under law or equity.

Dated: September 6, 2017

Respectfully submitted,

/s/Jay Johnson

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EXHIBIT A