

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

ELECTRONIC RECEIPTS DELIVERY
SYSTEMS, LLC,

Plaintiff,

vs.

TARGET CORPORATION,

Defendant.

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Case No:

PATENT CASE

COMPLAINT

Plaintiff Electronic Receipts Delivery Systems, LLC (“Plaintiff” or “ERDS”) files this Complaint against Target Corporation (“Defendant” or “Target”) 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 an office located at 1400 Preston Rd., Suite 400, Plano, TX 75093.

4. Upon information and belief, Defendant is a Minnesota Corporation with a principal office located at 1000 Nicollet Mall, Minneapolis, Minnesota 55403. 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. For example, on information and belief, Defendant has a place of business located at 3092 N Eastman Rd #100, Longview, TX 75605. 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 uses point of sale terminals (e.g., legacy POS) incorporating AllEtronic software and/or hardware (the "System"), which issue 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 (POS and software) receives a first credit card account (e.g., credit card number) and information about a transaction (e.g., balance due, and shipping and billing information). These elements are illustrated below:



Do the math: it's disturbing. So what's the solution? alletronic, based in Fullerton, CA, has an idea. alletronic, led by CEO Isaac Lay, provides an add-on or "patch" to a retailer's existing Point of Sale software (what they use at checkout to ring you up). Customers shopping at a retailer using alletronic's service can begin receiving paperless receipts by creating a free account online or by giving their email address to the cashier. When creating an account, customers "link" a debit or credit card (only a partial number), loyalty card, or phone number. Whenever the consumer uses a "linked" card at a retailer offering alletronic, an electronic receipt for the transaction appears in their online account immediately. For cash transactions, users may provide a linked telephone number to receive their paperless receipt. If consumers used alletronic to receive an electronic receipt for an item they need to return, they simply walk into the store with the product in hand. The cashier can quickly confirm the purchase and accept the return. alletronic's software is now ready for market.

<http://greengopost.com/saving-you-from-saving-receipts/>

allEtronic is an add-in for digital cash registers running popular point of purchase applications. When it recognizes a customer as a sale is rung up, allEtronic blocks the receipt-printing process, triggering details to be sent to its servers instead.

Consumers can visit allEtronic's Web site to view and export receipts to personal accounting software. First, they have to enter the first six and last four digits of a credit card number when they sign up for the program.

<https://www.cnet.com/news/your-receipt-is-in-the-e-mail/>

During the enrollment process, consumers are asked to provide basic registration information, plus link a credit or debit card to their account. By linking any number of cards to their account, a consumer is able to receive digital receipts from participating retailers whenever they use any one of the registered cards to pay. For security purposes, and to ensure privacy and guarantee security, the allEtronic system only requires the first 6 and last 4 digits of a card number. If a consumer doesn't register a card, they can provide their phone number to the cashier for digital receipt delivery.

<http://www.businesswire.com/news/home/20080617005889/en/allEtronic-Digital-Receipts-Receive-Positive-Feedback-Consumers>

iv. allEtronic

allEtronic provides users with a free online account to receive and track their receipts from the retailers offering its service. allEtronic can identify customers' account when they are in a store through their credit or debit card. allEtronic uses bank-level data security verified by Trustwave and McAfee, being certified as a level 2 Service Provider according the PCI Security Standards Council Privacy and Security Policy. Customers' profile and transaction history is safe, secure, and fully confidential with allEtronic.

This is what a linked card's information looks like:

Last Name	
Lallabach	
Expiration Date	
07/2009	
First Six Digits	Last Four Digits
1 2 3 4 - 5 6	0 1 2 3

<https://www.slideshare.net/AlexScott10/eceipts-business-plan>, slide 17 of 51

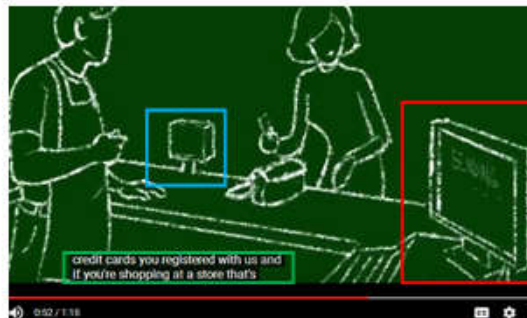
<https://web.archive.org/web/20100810160714/http://www.alletronic.com:80/about.aspx?pg=privacy-faq.htm>

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<http://greengopost.com/saving-you-from-saving-receipts/>

What We Collect

- We may collect personal information such as your contact, billing, and shipping information. We may also collect demographic information, such as your birthday.
- We collect information regarding your interactions with our Web sites and mobile apps.
- We may obtain additional personal and non-personal information from third party providers.



<http://www.bestbuy.com/site/help-topics/privacy-policy/pcmcat204400050062.c?id=pcmcat204400050062>

<https://www.youtube.com/watch?v=9UfygsDiUpM>

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 at least one associated customer record (e.g., customer purchase history, phone number, billing address, and shipping address).

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:

During the enrollment process, consumers are asked to provide basic registration information, plus link a credit or debit card to their account. By linking any number of cards to their account, a consumer is able to receive digital receipts from participating retailers whenever they use any one of the registered cards to pay. For security purposes and to ensure privacy and guarantee security, the *allEtronic* system only requires the first 6 and last 4 digits of a card number. If a consumer doesn't register a card, they can provide their phone number to the cashier for digital receipt delivery.

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<https://www.slideshare.net/AlexScott10/eceipts-business-plan>

The company is seeking a stamp of approval from Trustwave, which would mark allEtronic as a secure service for storing partial credit card numbers.

<https://www.cnet.com/news/your-receipt-is-in-the-e-mail/>

16. The System also includes one or more computing devices (e.g., server and/or processor onboard the POS) configured to verify the first credit card account for an amount of the transaction (e.g., AllEtronic uses Trustware certified by credit card companies to authorize a customer for a secure transaction or purchase).

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 (e.g., customer profile and transaction history) is retrieved from the database based on the account identifying information (e.g., customer linked credit card during registration). 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:

Companies like [My Receipts](#), [AllEtronic](#) and [Seamless Receipts](#) now offer a platform that allows any retailer to offer eReceipts. With this new software, retailers now have the ability to track customer purchases and target their marketing more than ever before. There may still be stumbling blocks to consider however. While the e-receipt presents new marketing opportunities for retailers, many consumers worry about possible privacy issues as well as the automatic addition to mailing lists. <https://www.nchannel.com/blog/are-digital-receipts-the-wave-of-the-future/>

I am going to try out [allEtronic](#) and see if it delivers as promised. Some limitations I can see already include that it requires the retailer having a relationship with allEtronic, synchronization is based on creditcard numbers (mine have changed twice in the last 9 months), and it may not stop the actual printing from occurring at the point of sale. But you have to start somewhere to make a difference.

<https://objectblindness.wordpress.com/>

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<https://www.slideshare.net/AlexScott10/eceipts-business-plan>

2. allEtronic provides bank-level data security for the information we store.

- allEtronic uses 128-bit SSL encryption to ensure that all communications between your browser and our Web site are secure.
- We store information and purchasing history in a secure facility protected by 24/7 security guards and biometric scanners.

<https://web.archive.org/web/20100916023203/http://www.alletronic.com:80/about.aspx?pg=privacy-keepusafe.htm>

4. Our systems are subject to Trustwave vulnerability scans.

allEtronic's systems are scanned for vulnerabilities once a month by a company called Trustwave. Trustwave is the leading provider of on-demand data security and payment card industry compliance management solutions to businesses and organizations throughout the world. They have helped more than 30,000 organizations, ranging from Fortune 500 businesses and large financial institutions to small and medium-sized retailers manage compliance and secure their network infrastructure, data communications and critical information assets.

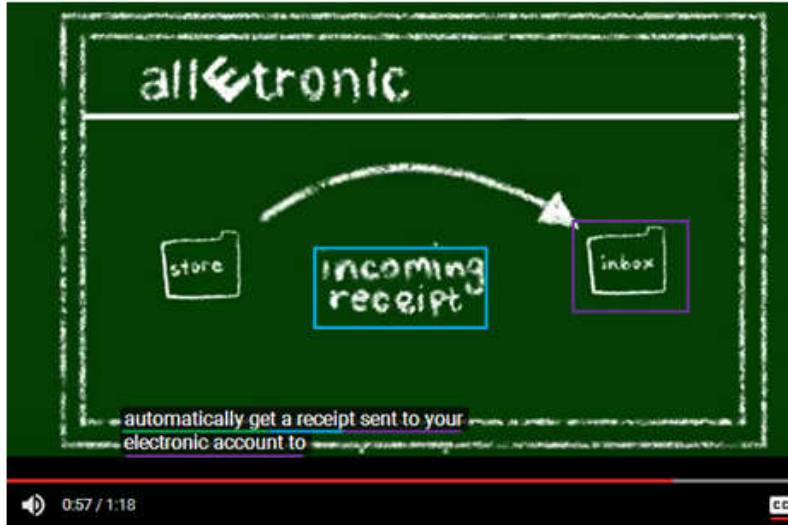
Trustwave is one of the few companies throughout the world certified by credit card brands (Visa, MasterCard, American Express and Discover) to perform a full range of solutions from compliance validation to incident response to point-of-sale security.

<https://web.archive.org/web/20100916023203/http://www.alletronic.com:80/about.aspx?pg=privacy-keepusafe.htm>

phone number. Whenever the consumer uses a "linked" card at a retailer offering alletronic, an electronic receipt for the transaction appears in their online account immediately. For cash transactions, users may provide a linked telephone number to receive their paperless receipt. If consumers used alletronic to receive an electronic receipt for an item they need to return, they simply walk into the store with the product in hand. The cashier can quickly confirm the purchase and accept the return. alletronic's software is now ready for market.

<http://greengopost.com/saving-you-from-saving-receipts/>

18. The terminal (e.g., POS and software) 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:



<https://www.youtube.com/watch?v=9Ufvg5DiUpM>

Simply swipe a credit card in the normal fashion and the receipt automatically and instantly appears in your secure and private allEtronic account. Or you can just give the cashier your phone number or email address to receive your receipts electronically. And customers still retain the option of getting paper receipts by just asking for them at checkout.

<http://www.businesswire.com/news/home/20080529005343/en/allEtronic-Helps-Save-9-Million-Trees-Year>

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<http://greengopost.com/saving-you-from-saving-receipts/>

allEtronic
your paperless convenience

CREATE FREE ACCOUNT LOG IN

10 REASONS WHY YOU'LL LOVE IT ABOUT ALLETRONIC

10 Reasons why you'll love it.

- 1 All your receipts in one place, for free
- 2 Eliminate Receipt Clutter
- 3 Just Swipe and Receive

Swipe Your Card to Get Your Receipt

One of the ways we're able to identify your account when you're in a store is through your credit or debit cards. When you link your cards to your allEtronic account you can automatically receive your receipts, initiate paperless returns, and automatically redeem coupons when you swipe your card to pay. You don't have to do anything else but swipe a linked card to pay like you normally would. You can link as many credit, debit, or check cards as you like. Each linked card will be used to identify your allEtronic account while at the checkout counter.

<http://reallysimplepress.com/namtramedia/NAMTRAMedia-designs-the-NEW-allEtronic-website-logo-and-application.html>

There's a company out there called allEtronic that allows you to store partial card data with them and those preferred customer cards. The drawback is that the point of sale terminals have to be upgraded to run allEtronic's software. The other drawback is that they send you coupons.

[http://gra-phix.com/articles/the new-ish receipt/](http://gra-phix.com/articles/the-new-ish-receipt/)

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

JAY JOHNSON

State Bar No. 24067322

BRAD KIZZIA

State Bar No. 11547550

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ATTORNEYS FOR PLAINTIFF

EXHIBIT A