

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

SIGNATURE SYSTEMS, LLC.,)	
)	
Plaintiff,)	
)	
v.)	Case No. 1:15-cv-20063-RNS
)	
AMERICAN EXPRESS COMPANY and)	
AMERICAN EXPRESS TRAVEL RELATED)	
SERVICES COMPANY, INC.)	
)	JURY TRIAL DEMANDED
Defendants.)	
)	

**THIRD AMENDED
COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Signature Systems, LLC (“Signature”), for its Complaint against Defendants American Express Company and American Express Travel Related Services Company, Inc., alleges as follows:

THE PARTIES

1. Plaintiff Signature is a Delaware Limited Liability Corporation with its principal place of business at 5244 North Bay Road, Miami Beach, Florida 33140.
2. Upon information and belief, American Express Company (“Amex”) is a New York corporation with its principal place of business in New York, New York.
3. Upon information and belief, American Express Travel Related Services Company, Inc. (“Amex Travel”) is a New York corporation with its principal place of business in New York, New York.
4. Upon information and belief, Amex Travel is a privately held subsidiary of Amex.

5. Upon information and belief, Amex and Amex Travel had offices at 777 American Express Way, Ft. Lauderdale, Florida 33337 until early 2017. In January, 2017 and continuing since that time, Defendants have a 400,000 square foot operations center located at 1500 N.W. 136th Avenue in Sunrise, Florida. Defendants' registered agent in Florida is CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324.

JURISDICTION AND VENUE

6. This action arises under the patent laws of the United States, 35 U.S.C. § 1, et seq., including § 271. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7. This Court has personal jurisdiction over Defendants because, among other things, Defendants have done business in this District, and have committed and continue to commit acts of patent infringement in this District.

8. Venue is proper in this District under 28 U.S.C. §§ 1391(b)-(d) and 1400(b) because, among other things, Defendants have regular and established places of business in this judicial district, and have committed acts of infringement in this judicial district.

FACTUAL BACKGROUND

9. Signature is a pioneer in the loyalty rewards industry. Since the 1990's, Signature has developed and patented architectures, systems and methods directed to various aspects of loyalty rewards, including, for example, reward points exchange, reward points redemption, systems for product liquidation through reward programs, and integrated networks for trading reward points for commercial products in an open marketplace.

10. Based on years of research and development, Signature has developed a patent portfolio comprising more than fifty (50) issued patents directed to subject matter relating to loyalty rewards and rewards systems and architectures.

11. On information and belief, Defendants are, and have been generally aware of, Signature's patent portfolio, through in person meetings between Amex's high level corporate representatives, including Amex's Chief IP Strategist, and key Signature representatives, including Signature's patent counsel Anthony Barkume and Signature's chief executive officer and primary inventor, Richard Postrel.

12. Signature is a practicing entity. As recently as October of 2014, Amex expressed interest in Signature's ability to build a rewards related platform by sending Signature a "Request for Proposal." Over the years, Signature has invested millions of dollars building computer implemented systems of the type described in Signature's patents.

COUNT I – INFRINGEMENT OF THE '402 PATENT

13. Signature is the sole owner of all rights, title and interest in and to United States Patent No. 8,423,402 ("the '402 patent"), entitled "Method and System for Electronic Exchange of Reward Points," issued to Richard Postrel on April 16, 2013. A copy of the '402 patent is attached hereto as Exhibit 1.

14. The '402 patent, which traces its priority to Provisional Application No. 60/140,603 ("the '603 application"), filed June 23, 1999, was classified in U.S. Class 705, "Data Processing: Financial, Business Practice, Management, or Cost/Price Determination."

15. The '402 patent is one of a family of patents related to reward system architectures and methods invented by Mr. Postrel that are based on and claim priority to the '603. At least sixty-three (63) patent applications have been filed based on this 1999 provisional

application. The United States Patent & Trademark Office (“PTO”) has examined and issued thirty-seven (37) patents based on the provisional application, and seven (7) applications remain pending before the PTO.

16. Following the Federal Circuit’s decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998), the PTO undertook several initiatives to improve the quality of examination of patent applications classified in Class 705. These initiatives continued after the Supreme Court’s decision in *Alice Corp. Pty. Ltd. v. CLS Bank International et al.*, 134 S.Ct. 2347 (2014), with the PTO issuing guidelines in 2015 and 2016 to assist the examination of patents classified in Class 705. The initiatives in particular give guidance to patent examiners on the consideration of patents in relation to whether or not they claim patent eligible subject matter in light of 35 U.S.C. § 101.

17. These initiatives included ensuring that applications were examined by specially trained examiners, who were trained in business and computer science. Extra levels of review were included that exceeded the norms of examination for inventions classified in other fields of art. Guidelines were also promulgated for the examiner’s use which incorporated and analyzed numerous court decisions related to matters in Class 705 and the requirements of section 101 of the patent code.

18. Even prior to *State Street Bank*, section 2106 of the USPTO’s Manual of Patent Examining Procedure recognized that computer implemented inventions were patentable subject matter under 35 U.S.C. § 101, under certain conditions.

19. The numerous co-pending patent applications which led to the issuance of the ‘402 patent were prosecuted by an examining corps that was fully apprised of the prohibition against patenting abstract ideas, and fully apprised of decisions from the Supreme Court, the

United States Court of Appeals for the Federal Circuit, and various United States District Courts that relate to section 101 validity challenges based on patent-eligible subject matter.

20. In 2011, the America Invents Act was passed by Congress. The AIA created a new contested proceeding before the PTO for post-grant reviews to determine the validity of “covered business method patents” (a “CBM review”). Since 2011, Administrative Patent Judges at the USPTO’s Patent Trial and Appeal Board (PTAB) have further defined and provided guidelines as to the examination and validity of patents that are eligible for a CBM review.

21. Since 2011, patent examiners have been apprised of decisions from the PTAB that determine whether a patent is subject to a rejection or is otherwise invalid under section 101.

22. The ‘402 patent was thoroughly examined for all statutory grounds of patentability, including patentable subject matter (35 U.S.C. § 101), novelty (35 U.S.C. § 102), non-obviousness (35 U.S.C. § 103), enablement, best mode, and written description (35 U.S.C. § 112).

23. After filing this lawsuit, the ‘402 patent was subject to supplemental examination by the PTO under 35 U.S.C. § 257. Signature initiated the supplemental examination proceeding to confirm that the ‘402 patent was directed patent eligible subject matter under section 101. The ‘402 patent was thoroughly reexamined by the PTO.

24. Upon reexamination, claims 3, 4, 7, 8, 11, 12, 15, and 16 of the ‘402 patent were cancelled by the Patent Owner. Upon reexamination, claims 1, 5, 9, and 13 of the ‘402 patent were determined by the PTO to be patentable as amended. Claims 2, 6, 10, and 14 of the ‘402 patent depend on amended claims, and thus were also determined by the PTO to be patentable.

The PTO issued an Ex Parte Reexamination Certificate for the '402 patent on November 24, 2015, setting forth the amended claims and dependent claims (see Exhibit 1).

25. Upon reexamination, as before, the PTO examiners had numerous guidelines from the USPTO related to the examination of patents, particularly the examination in light of section 101 and the *Alice* case.

26. During reexamination of the '402 patent, the PTO was apprised of the court decision *Loyalty Conversion Sys. Corp. v. American Airlines, Inc.*, 66 F. Supp. 3d 829 (E.D. Tex. 2014); an October 1995 *Newslink* article regarding American Express' Membership Rewards program, and various SEC filings from several airlines. The PTO also reviewed and analyzed the '402 patent claims under section 101, the Supreme Court's *Alice* decision, and other PTO guidelines incorporating various other court decisions on the application of section 101 to patent claims.

27. During reexamination of the '402 patent, the PTO was also informed of a request for a CBM review of the '402 patent, filed by American Express at the USPTO after the initiation of this lawsuit.

28. The PTO allowed the '402 patent claims, as amended, to issue with full knowledge of court decisions, patents, articles, internal guidelines, and Amex's request for a CBM review.

29. The claims of the '402 patent, as amended and otherwise reflected in the Reexamination Certificate, recite more than simply using a rewards program. The claims recite an invention that is rooted in computer technology and that overcomes a problem specifically arising with the advent of, and in the realm of, computer networks. Upon reexamination, the PTO specifically stated that the '402 patent's claimed invention "addresses the Internet-centric

challenge of electronic bartering that allows users to trade and redeem reward points over the Internet for products and services” of another vendor. Pointing to various elements of the claims, the PTO characterized them as “meaningful limitations that add more than generally linking the use of the abstract idea to the Internet, because they solve an Internet-centric problem with a claimed solution that is necessarily rooted in computer technology.”

30. Upon reexamination, the PTO specifically stated that the amended claims of the ‘402 patent were not directed to non-patentable subject matter under section 101. The PTO specifically determined that “the invention as a whole amounts to significantly more than the fundamental economic practice or the idea itself...” such that the claims recite patent eligible subject matter.

31. Upon reexamination, the PTO specifically stated that the amended claims distinguish the ‘402 patent from “the body of case law precedent,” including the Federal Circuit case *Ultramercial Inc. v. Hulu LLC et al.*

32. Pursuant to 35 U.S.C. § 282(a), the ‘402 patent is presumed valid, and every non-cancelled claim of the ‘402 patent is presumed valid independent of each other claim.

33. Since the filing of the ‘402 patent’s earliest priority application, to the present time, neither the statutory framework for patentable subject matter (35 U.S.C. § 101), nor the presumption of validity (35 U.S.C. § 282(a)) have been amended by Congress.

34. Signature is the owner of the ‘402 patent by assignment. The inventor of the ‘402 patent, Richard Postrel, the CEO of Signature.

35. Upon information and belief, Defendants, jointly and/or individually, have infringed one or more claims of the ‘402 patent by making and/or using systems and/or methods covered by one or more claims of the ‘402 patent, either literally or by operation of the doctrine

of equivalents, through, but not necessarily limited to, operation of Amex's Membership Rewards website.

36. Upon information and belief, Defendants Amex and Amex Travel have directly infringed at least claims 1, 2, 5, and 6 of the '402 patent in violation of 35 U.S.C. § 271 by making and/or using a reward server computer including all of the elements recited claims 1, 2, 5, and 6. Exhibits 2 and 3, attached hereto, describe the infringement of claims 1 and 5. Claims 2 and 6 are infringed in that the claimed "control" is accomplished by a hyperlink, or button, as shown in the screenshots in Exhibits 2 and 3.

37. Upon information and belief, Defendants Amex and Amex Travel have induced direct infringement of claims 1, 2, 5, and 6 of the '402 patent by customers who participate in the American Express Membership Rewards program in violation of 35 U.S.C. § 271 by encouraging such customers to use a reward server computer including all of the elements recited in the claims as shown, for example, in Exhibits 2 and 3, attached hereto, with full knowledge of the '402 patent, and knowing and intending that such use will infringe the '402 patent.

38. Upon information and belief, Defendants Amex and Amex Travel have contributed to direct infringement of claims 1, 2, 5, and 6 of the '402 patent by customers who participate in the American Express Membership Rewards program in violation of 35 U.S.C. § 271 by supplying for use by such customers a reward server computer including all of the elements in the claims as shown, for example, in Exhibits 2 and 3 attached hereto, knowing that such reward server computer is especially made or especially adapted for use in a manner that infringes the '402 patent, when such reward server computer is not a staple article of commerce suitable for substantial noninfringing use.

PRAYER FOR RELIEF

WHEREFORE, Signature prays for the following relief:

- a. a judgment declaring that Defendants' infringe the '402 patent;
- b. that this Court permanently enjoin Defendants and their officers, directors, agents, servants, affiliates, divisions, branches, subsidiaries, parents, licensees, successors, and assigns, and all persons acting in concert or privity with any of them, from infringement of the '402 patent;
- c. an award of damages, costs, expenses, pre-judgment interest, and post-judgment interest as to infringement of the '402 patent;
- d. an order accounting for damages incurred by Signature; and
- e. such other relief to which it may be entitled in law or equity and which this Court deems to be just or proper.

JURY DEMAND

Signature hereby demands a trial by jury.

Dated: April 13, 2018

Respectfully submitted,

/s/ Steven E. Brust

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CERTIFICATE OF SERVICE

I CERTIFY that on April 13, 2018, I electronically filed this document with the Clerk of the Court using CM/ECF. I also certify that this document is being served today on all counsel of record by transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Steven E Brust

Steven E. Brust