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

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CXT SYSTEMS, INC., Plaintiff, v. PIER 1 IMPORTS, INC., Defendant.

Case No. 2:18-cv-00172-RWS

JURY TRIAL DEMANDED

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff CXT Systems, Inc. ("CXT" or "Plaintiff"), for its Complaint against Defendants Pier 1 Imports (U.S.), Inc. ("Pier One US") and Pier 1 Services Company ("Pier One Services") (collectively, "Pier One" or "Defendants"), alleges as follows:

THE PARTIES

1. CXT is a corporation organized and existing under the laws of the State of Texas, with its principal place of business located at 100 W. Houston Street, Marshall, Texas 75670.

2. Upon information and belief, Defendant Pier One US is a corporation organized and existing under the laws of Delaware, with its principal place of business located at 100 Pier 1 Place, Fort Worth, Texas 76102. Defendant may be served with process through its registered agent, The Prentice Hall Corporation System, Inc., located at 251 Little Falls Drive, Wilmington, Delaware 19808.

3. Upon information and belief, Defendant Pier One Services is a corporation organized and existing under the laws of Delaware, with its principal place of business located at 100 Pier 1 Place, Fort Worth, Texas 76102. Defendant may be served with process through its

registered agent, The Corporation Services Company, located at 251 Little Falls Drive, Wilmington, Delaware 19808.

4. On information and belief, Defendants maintain regular and established places of business within this Judicial District at their stores including at 1805 Preston Road, Suite A, Plano, Texas 75093. Upon information and belief, Defendants employ individuals in this Judicial District involved in the sales and marketing of its products.

JURISDICTION

5. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1, et seq. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. This Court has personal jurisdiction over Defendants. Defendants regularly conduct business and have committed acts of patent infringement and/or have induced acts of patent infringement by others in this Judicial District and/or have contributed to patent infringement by others in this Judicial District, the State of Texas, and elsewhere in the United States.

7. Venue is proper in this Judicial District pursuant to 28 U.S.C. §§ 1391 and 1400(b) because, among other things, Defendants are subject to personal jurisdiction in this Judicial District, have a regular and established place of business in this Judicial District, have purposely transacted business involving the accused products in this Judicial District, including sales to one or more customers in Texas, and certain of the acts complained of herein, including acts of patent infringement, occurred in this Judicial District.

8. Defendants are subject to this Court's jurisdiction pursuant to due process and/or the Texas Long Arm Statute due at least to their substantial business in this State and Judicial

District, including (a) at least part of their past infringing activities, (b) regularly doing or soliciting business in Texas, and/or (c) engaging in persistent conduct and/or deriving substantial revenue from goods and services provided to customers in Texas.

PATENTS-IN-SUIT

9. On June 25, 2002, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 6,412,012 (the "'012 Patent") entitled "System, method, and article of manufacture for making a compatibility-aware recommendations to a user." A true and correct copy of the '012 Patent is attached as Exhibit A.

10. On March 21, 2006 the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 7,016,875 (the "875 Patent") entitled "Single Sign-On for Access to a Central Data Repository." A true and correct copy of the '875 Patent is attached as Exhibit B.

11. On August 14, 2007, the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 7,257,581 (the "581 Patent") entitled "Storage, Management and Distribution of Consumer Information." A true and correct copy of the 581 Patent is attached as Exhibit C.

12. On September 4, 2012 the United States Patent and Trademark Office duly and legally issued U.S. Patent No. 8,260,806 (the "'806 Patent") entitled "Storage, Management and Distribution of Consumer Information." A true and correct copy of the '806 Patent is attached as Exhibit D.

13. CXT is the sole and exclusive owner of all right, title and interest to and in the '012 Patent, '875 Patent, '581 Patent, and '806 Patent (together, the "Patents-in-Suit"), and holds the exclusive right to take all actions necessary to enforce its rights to the Patents-in-Suit,

including the filing of this First Amended Complaint. CXT also has the right to recover all damages for past, present, and future infringement of the Patents-in-Suit and to seek injunctive relief as appropriate under the law.

14. The inventions covered by the '012 Patent generally cover systems and methods for providing a compatibility-aware recommendation output using user preference data and item compatibility rules. In one embodiment, the system comprises a processor and input/output interfaces. Systems implementing the inventions covered by the '012 Patent achieve significant benefits and improvements in their operation and performance. By way of non-limiting example, by providing a compatibility-aware recommendation to a buyer of an e-commerce website, the seller's back-end computer system can devote less processing resources to retrieving information about unsought products. This results in more efficient usage of the seller's system including in terms of both processing and communication resources. Additionally, when a buyer focuses his shopping pursuits on items that are most appropriate, this results in more efficient usage of the buyer's computer system in terms of processing, communication, power and display resources.

15. E-commerce websites and computer systems supporting those websites (collectively, the "Accused Infrastructures") employ methods covered by the '012 Patent in order to improve the shopping experience of their buyers. The Accused Infrastructures practice a method of producing a compatibility filtered and weighted recommendation to a user by using a computer having a processing system with one or more processors and an input/output interface. The method employed by the Accused Infrastructures comprises receiving user preference data and item compatibility rules and producing a compatibility-aware recommendation output set using the user preference data and item compatibility rules.

16. The inventions covered by the '875 Patent, '581 Patent and '806 Patent were invented by Nick Steele, Stan Hawkins, Joe Maranville and Andrew Bradnan (collectively, the "Steele Patents"). The Steele Patents generally cover systems and methods relating to optimizing the online shopping experience. For example, in one embodiment, an authenticated user may access and control relevant account information, such as shipping address or credit card information. In another embodiment, a user need only authenticate himself once in order to repeatedly access consumer information associated with different websites. In a third embodiment, an application is executed at the client side which manages the request/response process for the client side. Systems implementing the inventions covered by the Steele Patents achieve significant benefits and improvements in their operation and performance. By allowing a user to store and repeatedly access relevant account information, more efficient usage of the system is achieved. This includes efficiencies from the perspective of processing resources as the buyer does not need not to repeatedly spend time entering information, such as a shipping address.

17. The Accused Infrastructures employ methods covered by the Steele Patents in order to improve the shopping experience of their buyers. The Accused Infrastructures practice a method comprising retrieving selected consumer information elements from the information stored within an online account by filtering data from the online account with a database management system, and transmitting the selected consumer information elements, over a distributed electronic network, to the network device.

18. On information and belief, Pier One is in the business of selling products including furniture and outdoor products through its website available at http://pier1.com (the "Pier One Website") and has been since at least as early as 2012. On information and belief, the

Pier One Website is supported by a computer system such as one or more servers. Together, the current and previous versions of the Pier One Website and their computers systems are instances of the Accused Infrastructures (collectively, the "Accused Pier One Infrastructures"). On information and belief, the Accused Pier One Infrastructures are hosted within the United States. On information and belief, the Accused Pier One Infrastructures are owned by Pier One US and/or Pier One Services. On information and belief, the Accused Pier One Services at the direction or control of Pier One US and on behalf of Pier One US.

19. CXT has at all times complied with the marking provisions of 35 U.S.C. § 287 with respect to the Patents-in-Suit. On information and belief, prior assignees and licensees have also complied with the marking provisions of 35 U.S.C. § 287.

<u>COUNT I</u> (Infringement of the '012 Patent)

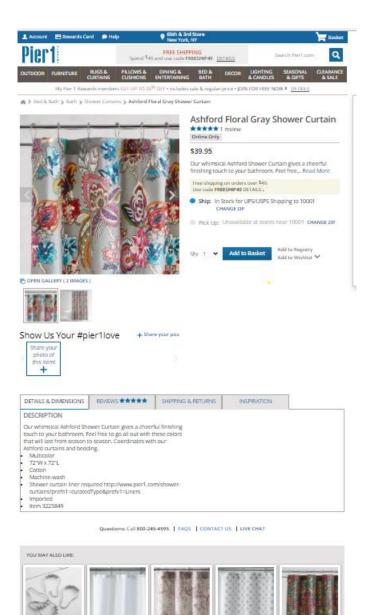
20. Paragraphs 1 through 19 are incorporated herein by reference as if fully set forth in their entireties.

21. CXT has not licensed or otherwise authorized Defendants to make, use, offer for sale, sell, or import any products that embody the inventions of the '012 Patent.

22. Defendants have directly infringed and continue to directly infringe the '012 Patent, either literally or under the doctrine of equivalents, without authority and in violation of 35 U.S.C. § 271, by making, using, offering to sell, selling and/or importing into the United States products that satisfy each and every limitation of one or more claims of the '012 Patent. Upon information and belief, these products include the Accused Pier One Infrastructures that practice the methods and systems covered by the '012 Patent. These products infringe at least claim 20 of the '012 Patent. 23. On information and belief, at least one version of the Accused Pier One Infrastructures comprises a computer having a processing system with one or more processors and an input/output interface.

24. On information and belief, at least one version of the Accused Pier One Infrastructures practices a method of producing a compatibility filtered and weighted recommendation to a user wherein the method comprises receiving user preference data, and item compatibility rules, and producing a compatibility-aware recommendation output set using the user preference data and the item compatibility rules.

25. One example where a compatibility-aware recommendation is provided is shown in Figure 1 where a curtain liner and a ring set are recommended to a user in a "You May Also Like" section after viewing of a specific shower curtain.



(Figure 1 - Personalized recommendation of ring set and curtain liner upon viewing of a shower curtain product at the Pier One Website.)

26. Defendants have indirectly infringed and continue to indirectly infringe one or more claims of the '012 Patent by knowingly and intentionally inducing others, to directly infringe, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States products that include infringing technology, such as the Accused Pier One Infrastructure, that practice the systems and methods covered by the '012 Patent.

27. Defendants, with knowledge that these products, or the use thereof, infringe the '012 Patent knowingly and intentionally induced, and continue to knowingly and intentionally induce, direct infringement of the '012 Patent by providing these Accused Pier One Infrastructure to end users for use in an infringing manner.

28. Defendants induced infringement by others, including end users, with the intent to cause infringing acts by others or, in the alternative, with the belief that there was a high probability that others, including end users, infringe the '012 Patent, but while remaining willfully blind to the infringement.

29. CXT has suffered damages as a result of Defendants' direct infringement of the '012 Patent in an amount to be proved at trial.

30. CXT has suffered, and will continue to suffer, irreparable harm as a result of Defendants' infringement of the '012 Patent for which there is no adequate remedy at law, unless Defendants' infringement is enjoined by this Court.

<u>COUNT II</u> (Infringement of the '875 Patent)

31. Paragraphs 1 through 19 are incorporated herein by reference as if fully set forth in their entireties.

32. CXT has not licensed or otherwise authorized Defendants to make, use, offer for sale, sell, or import any products that embody the inventions of the '875 Patent.

33. Defendants have directly infringed and continue to directly infringe the '875 Patent, either literally or under the doctrine of equivalents, without authority and in violation of 35 U.S.C. § 271, by making, using, offering to sell, selling and/or importing into the United States products that satisfy each and every limitation of one or more claims of the '875 Patent. Upon information and belief, these products include the Accused Pier One Infrastructures that practice the methods and systems covered by the '875 Patent. These products infringe at least claim 1 of the '875 Patent.

34. On information and belief, at least one version of the Accused Pier One Infrastructures implements a method for providing access to an information account stored in a central data repository that is accessible via a distributed network and is coupled to a database management system, the information account containing consumer information elements that are changed by the consumer.

35. On information and belief, at least one version of the Accused Pier One Infrastructures receives, over the distributed electronic network, a first request from a network device for access to the information account and consumer authentication information in response to the consumer inputting the consumer authentication information while interacting with a first web-site.

36. On information and belief, at least one version of the Accused Pier One Infrastructures, in response to the request, authenticates the consumer with the database management system based on the consumer authentication information, thereby providing the consumer with access to the information account stored in the central data repository, a first consumer information element of the information account comprising one or more name fields to identify the consumer, and a second consumer information element of the information account comprising one or more geographic address fields associated with the consumer.

37. On information and belief, at least one version of the Accused Pier One Infrastructures, in response to the first, second, and subsequent requests for access to the information account stored in the central data repository, retrieves one or more consumer information elements from the information account by filtering data from the information account with the database management system based on an identification of a web-site being accessed by the consumer.

38. On information and belief, at least one version of the Accused Pier One Infrastructures sends the retrieved consumer information elements over the distributed electronic network.

39. On information and belief, at least one version of the Accused Pier One Infrastructures parses the retrieved consumer information elements.

40. On information and belief, at least one version of the Accused Pier One Infrastructures auto-populates input fields of a displayed web page file of the web-site being accessed by the consumer with the consumer information elements as shown in Figure 2.

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(Figure 2 -User account with certain information autopopulated.)

41. Defendants have indirectly infringed and continue to indirectly infringe one or more claims of the '875 Patent by knowingly and intentionally inducing others, to directly infringe, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States products that include infringing technology, such as the Accused Pier One Infrastructure, that practice the systems and methods covered by the '875 Patent.

42. Defendants, with knowledge that these products, or the use thereof, infringe the '875 Patent knowingly and intentionally induced, and continues to knowingly and intentionally induce, direct infringement of the '875 Patent by providing these Accused Pier One Infrastructure to end users for use in an infringing manner. 43. Defendants induced infringement by others, including end users, with the intent to cause infringing acts by others or, in the alternative, with the belief that there was a high probability that others, including end users, infringe the '875 Patent, but while remaining willfully blind to the infringement.

44. CXT has suffered damages as a result of Defendants' direct infringement of the '875 Patent in an amount to be proved at trial.

45. CXT has suffered, and will continue to suffer, irreparable harm as a result of Defendants' infringement of the '875 Patent for which there is no adequate remedy at law, unless Defendants' infringement is enjoined by this Court.

<u>COUNT III</u> (Infringement of the '581 Patent)

46. Paragraphs 1 through 19 are incorporated herein by reference as if fully set forth in their entireties.

47. CXT has not licensed or otherwise authorized Defendants to make, use, offer for sale, sell, or import any products that embody the inventions of the '581 Patent.

48. Defendants have directly infringed and continue to directly infringe the '581 Patent, either literally or under the doctrine of equivalents, without authority and in violation of 35 U.S.C. § 271, by making, using, offering to sell, selling and/or importing into the United States products that satisfy each and every limitation of one or more claims of the '581 Patent. Upon information and belief, these products include the Accused Pier One Infrastructures that practice the methods and systems covered by the '581 Patent. These products infringe at least claim 1 of the '581 Patent.

49. On information and belief, at least one version of the Accused Pier One Infrastructures implements a method for storing, managing and distributing consumer information via a distributed electronic network.

50. On information and belief, at least one version of the Accused Pier One Infrastructures stores an information account in a central data repository accessible via the distributed electronic network, where the information account comprises a plurality of consumer information elements associated with a consumer and being subject to the consumer's control and management.

51. On information and belief, at least one version of the Accused Pier One Infrastructures receives with a database management system, a request over the distributed electronic network from a network device for one or more selected consumer information elements, the request including consumer authentication information and being made by the network device responsive to an input command supplied by the consumer.

52. On information and belief, at least one version of the Accused Pier One Infrastructures authenticates the consumer based on the authentication information, retrieves the selected consumer information elements from the information account by filtering data from the information account with the database management system, and transmits the selected consumer information elements, over the distributed electronic network, to the network device.

53. On information and belief, at least one version of the Accused Pier One Infrastructures autopopulates the selected consumer information elements into at least one input field of a web page file. For example, after a user has authenticated himself, he has access to his account where certain customer information elements are autopopulated as shown in Figure 2.

54. Defendants have indirectly infringed and continue to indirectly infringe one or more claims of the '581 Patent by knowingly and intentionally inducing others, to directly infringe, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States products that include infringing technology, such as the Accused Pier One Infrastructure, that practice the systems and methods covered by the '581 Patent.

55. Defendants, with knowledge that these products, or the use thereof, infringe the '581 Patent, knowingly and intentionally induced, and continues to knowingly and intentionally induce, direct infringement of the '581 Patent by providing these Accused Pier One Infrastructure to end users for use in an infringing manner.

56. Defendants induced infringement by others, including end users, with the intent to cause infringing acts by others or, in the alternative, with the belief that there was a high probability that others, including end users, infringe the '581 Patent, but while remaining willfully blind to the infringement.

57. CXT has suffered damages as a result of Defendants' direct infringement of the '581 Patent in an amount to be proved at trial.

58. CXT has suffered, and will continue to suffer, irreparable harm as a result of Defendants' infringement of the '581 Patent for which there is no adequate remedy at law, unless Defendants' infringement is enjoined by this Court.

<u>COUNT IV</u> (Infringement of the '806 Patent)

59. Paragraphs 1 through 19 are incorporated herein by reference as if fully set forth in their entireties.

60. CXT has not licensed or otherwise authorized Defendants to make, use, offer for sale, sell, or import any products that embody the inventions of the '806 Patent.

61. Defendants have directly infringed and continue to directly infringe the '806 Patent, either literally or under the doctrine of equivalents, without authority and in violation of 35 U.S.C. § 271, by making, using, offering to sell, selling and/or importing into the United States products that satisfy each and every limitation of one or more claims of the '806 Patent. Upon information and belief, these products include the Accused Pier One Infrastructures that practice the methods and systems covered by the '806 Patent. These products infringe at least claim 1 of the '806 Patent.

62. On information and belief, at least one version of the Accused Pier One Infrastructures comprises computer-readable storage medium having stored thereon computerexecutable instructions for storing, managing, and distributing consumer information via a distributed electronic network, by causing a computing device to perform operations.

63. On information and belief, the executable instructions stored on at least one version of the Accused Pier One Infrastructures determine one or more consumer information elements for fields of a web page, the one or more consumer information elements associated with an information account and in a data storage accessible via the distributed electronic network, the information account comprising a plurality of consumer information elements associated with a consumer and being subject to the consumer's control and management.

64. On information and belief, the executable instructions stored on at least one version of the Accused Pier One Infrastructures cause a browser to display a web page file that has been retrieved from a vendor server, the web page file including an instruction that causes

the browser to request transmission of a client-side application having at least a temporary portion.

65. On information and belief, the executable instructions stored on at least one version of the Accused Pier One Infrastructures execute at a network device an application configured to manage a request/response process for the network device.

66. On information and belief, the executable instructions stored on at least one version of the Accused Pier One Infrastructures transmit over the distributed electronic network from the network device a request for the determined one or more consumer information elements, the request including consumer authentication information and being made by the network device responsive to an input command supplied by the consumer.

67. On information and belief, the executable instructions stored on at least one version of the Accused Pier One Infrastructures receives at the network device the one or more consumer information elements filtered from the information account.

68. On information and belief, the executable instructions stored on at least one version of the Accused Pier One Infrastructures autopopulates the filtered one or more consumer information elements into corresponding fields.

69. For example, after a user has authenticated himself, he has access to his account where certain customer information elements are autopopulated as shown in Figure 2.

70. Defendants have indirectly infringed and continue to indirectly infringe one or more claims of the '806 Patent by knowingly and intentionally inducing others, to directly infringe, either literally or under the doctrine of equivalents, by making, using, offering to sell, selling and/or importing into the United States products that include infringing technology, such as the Accused Pier One Infrastructure, that practice the systems and methods covered by the '806 Patent. For example, on information and belief, Defendant Pier One US has induced Pier One Services to directly infringe one or more claims of the '806 Patent by servicing and maintaining the Accused Pier One Infrastructure that practices the systems and methods covered by the '806 Patent.

71. Defendants, with knowledge that these products, or the use thereof, infringe the '806 Patent knowingly and intentionally induced, and continue to knowingly and intentionally induce, direct infringement of the '806 Patent by providing these Accused Pier One Infrastructure to end users for use in an infringing manner.

72. Defendants induced infringement by others, including end users, with the intent to cause infringing acts by others or, in the alternative, with the belief that there was a high probability that others, including end users, infringe the '806 Patent, but while remaining willfully blind to the infringement.

73. CXT has suffered damages as a result of Defendants' direct infringement of the'806 Patent in an amount to be proved at trial.

74. CXT has suffered, and will continue to suffer, irreparable harm as a result of Defendants' infringement of the '806 Patent, for which there is no adequate remedy at law, unless Defendants' infringement is enjoined by this Court.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury for all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, CXT prays for relief against Defendants as follows:

a. Entry of judgment declaring that Defendants have directly and/or indirectly infringed one or more claims of each of the Patents-in-Suit;

b. An order awarding damages sufficient to compensate CXT for Defendants' infringement of the Patents-in-Suit, but in no event less than a reasonable royalty, together with interest and costs;

c. Entry of judgment declaring that this case is exceptional and awarding CXT its costs and reasonable attorney fees under 35 U.S.C. § 285; and

d. Such other and further relief as the Court deems just and proper.

Dated: July 13, 2018

Respectfully submitted,

/s/ Alfred R. Fabricant Alfred R. Fabricant NY Bar No. 2219392 Email: afabricant@brownrudnick.com Peter Lambrianakos NY Bar No. 2894392 Email: plambrianakos@brownrudnick.com Vincent J. Rubino, III NY Bar No. 4557435 Email: vrubino@brownrudnick.com Shahar Harel NY Bar No. 4573192 Email: sharel@brownrudnick.com **BROWN RUDNICK LLP** 7 Times Square New York, NY 10036 Telephone: (212) 209-4800 Facsimile: (212) 209-4801

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ATTORNEYS FOR PLAINTIFF CXT SYSTEMS, INC.