**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

WILLIAM GRECIA,	)	
	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No. 1:18-cv-01885
	)	
	)	Judge John J. Tharp, Jr.
SEARS HOLDING CORPORATION,	)	
	)	
	)	
Defendant.	)	

SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT

William Grecia brings this patent-infringement action against Sears Holding Corporation (hereinafter, "Sears").

Parties

1.   William Grecia is an individual residing in Downingtown, Pennsylvania.

2.   Sears is a Delaware corporation, having its principal place of business in Hofman Estates, Illinois.

Jurisdiction and Venue

3.   This action arises under the patent laws of the United States, 35 U.S.C. §§ 101 *et seq.*

4.   This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1338(a).

5.   This Court may exercise personal jurisdiction over Sears, conducts continuous and systematic business in this District; and this patent-infringement case arises directly from Sears' continuous and systematic activity in this District. In short, this Court's exercise of

jurisdiction over Sears would be consistent with the Illinois long-arm statute and traditional notions of fair play and substantial justice.

6. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b)(1)-(2) and 1400(b).

Claim Construction

7. On September 8, 2018, the District Court for the Southern District of New York entered an order, construing claim terms set forth in the patent-in-suit. *Grecia v. Mastercard Int'l Inc.*, Case No. 15-cv-9059 (RJS) (S.D.N.Y. Sept. 8, 2018) (Doc. 89) (attached as "Exhibit 1").

8. "Metadata of the encrypted digital media" means "data that describes the digital media." (*Id.* at 11; *see also id.* at 9 n.4 ("digital media" synonymous with "digital content".).)

9. "Encrypted digital media" means "data capable of being processed by a computer." (*Id.* at 11.)

10. "Verified web service" means "a web service that is used to authenticate the identity of a user or device." (*Id.* at 12.)

11. "Corresponding to the encrypted digital media" modifies the claim term "membership verification token." (*Id.* at 13.)

12. "Verification token" means "data that represents permission to access digital media or cloud digital content." (*Id.* at 15.)

13. "Identification reference" means "an identifier that can be used to identify a user or device." (*Id.* at 16.)

Infringement of U.S. Patent No. 8,402,555

14. Mr. Grecia owns United States Patent 8,402,555 (the "'555 patent") (attached hereto as "Exhibit 2").

15.   Sears infringes claim 8 of the '555 patent as follows.

16.   Claim 8 covers, "The method according to claim 1, wherein the encrypted digital media is one of a video file, audio file, container format, document, metadata as part of video game software and other computer based apparatus in which processed data is facilitated."

17.   Claim 1 covers, "A method for monitoring access to an encrypted digital media, the method facilitating interoperability between a plurality of data processing devices . . . ." Sears practices the claim 1 method when Sears' Equinox point-of-sale device processes transactions. The Sears device monitors access to financial data by writing data to describe the tokenized PAN data as associated with the Auth ID Reference data from a financial transaction.

18.   Sears' Equinox device contains a "communications console," which is the combination of a graphical user interface ("GUI") and an applications programmable interface ("API"). The Sears device contains the "Kernel," which contains interface routines, security and control functions, and logic to manage a set of commands and responses to retrieve the necessary data from the Card to complete a transaction. The Kernel processing covers the interaction with the Card between the selection of the card application (excluded) and processing of the outcome of the transaction (excluded).

19.   The Sears Equinox device contains an application that, along with other hardware and software, practices the methods of the '555 patent. The Sears Equinox device processes transactions through Samsung Pay, as well as other applications such as, but not limited to: mastercard, maestro, cirrus, NYCE, Diners Club International, pulse, and UnionPay.

20.   Sears uses an EMV Token Point-of-Sale computer product (EMV-PoS) that monitors access to users' digital financial content to complete purchases using a verification token (e.g., EMV Device Token) that is used as a substitute to the user's real card PAN (Primary

Account Number) in EMV-PoS transaction requests. The EMV Token application in the Sears'

PoS computer is utilized to produce "secure" transactions and eliminate the threat of credit card

fraud. The digital financial content is the EMV card network Payment Application.

21.   The first step of the claim 1 method is "receiving an encrypted digital media

access branding request from at least one communications console of the plurality of data

processing devices, the branding request being a read or write request of metadata of the

encrypted digital media, the request comprising a membership verification token provided by a

first user, corresponding to the encrypted digital media . . . ." Sears' EMV-PoS receives an

access (write) request for financial content by receiving a Tokenized Primary Account Number

(Tokenized PAN).

22.   Sears operates a store located at 222 Exton Square Mall, Exton, PA. At this

location, Sears processes transactions with a computer product that performs the claim 1 method.

Mr. Grecia purchased product at the Exton location using his Mastercard credit card and the

Sears point-of-sale device. Mr. Grecia used his telephone containing the Samsung Pay

application. The Sears point-of-sale device used the Kernel to receive Mr. Grecia's PAN.

23.   The second step of claim 1 is "authenticating the membership verification token,

the authentication being performed in connection with a token database . . . ." The Token is

authenticated with the Luhn check digit, in connection with a Token Database (e.g., BIN tables).

When Mr. Grecia made his purchase, the Sears POS device authenticated Mr. Grecia's PAN.

24.   The third step of the claim 1 method is "establishing a connection with the

communications console, wherein the communications console is a combination of a graphic

user interface (GUI) and an Applications Programmable Interface (API) wherein the API is

related to a verified web service, the web service capable of facilitating a two way data exchange

to complete a verification process wherein the data exchange session comprises at least one identification reference . . . ." The Sears EMV-PoS establishes a connection using a Token Presentment Server API related to the EMV Token Service Provider. The Sears POS device used its Kernel to establish a connection with the EMV Token Service Provider.

25.   The fourth and fifth steps of claim 1 are "requesting at least one electronic identification reference from the at least one communications console wherein the electronic identification reference comprises a verified web service account identifier of the first user; receiving the at least one electronic identification reference from the at least one communications console . . . ." The Sears EMV-PoS requests and receives an Authorization Identification Reference of True/False (Auth ID Ref) from the Token Presentment Server. When Mr. Grecia made his purchase, the EMV-POS device requested and received an Auth ID Ref, using the POS device's Kernel.

26.   The final step of the claim 1 method is "branding metadata of the encrypted digital media by writing the membership verification token and the electronic identification reference into the metadata." The Sears EMV-PoS writes the received Tokenized PAN and Auth ID Ref to metadata of the Sears EMV-PoS terminal.

27.   When Mr. Grecia made his Sears purchase, Sears gave Mr. Grecia a receipt reflecting that the POS device wrote the metadata to describe what Tokenized PAN data (e.g., *9671) is associated with the Auth ID Ref data.

28.   Claim 8 of the '555 patent provides, "The method according to claim 1, wherein the encrypted digital media is one of a video file, audio file, container format, document, metadata as part of video game software and other computer based apparatus in which processed data is facilitated." The Sears EMV Token Point-of-Sale computer (Equinox EMV-PoS)

monitors access to financial data by writing data to describe which Tokenized PAN data is associated with Auth ID Reference data (from a financial transaction).

Prayer for Relief

WHEREFORE, William Grecia prays for the following relief against Sears:

(a)   Judgment that Sears has directly infringed claims of the '555 patent;

(b)   For a reasonable royalty;

(c)   For pre-judgment interest and post-judgment interest at the maximum rate allowed by law;

(d)   For injunctive relief; and

(e)   For such other and further relief as the Court may deem just and proper.

Demand for Jury Trial

Grecia demands a trial by jury on all matters and issues triable by jury.

Date: <u>October 11, 2018</u>   Respectfully submitted,

/s/ Matthew M. Wawrzyn
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CERTIFICATE OF SERVICE

I, Matthew M. Wawrzyn, an attorney, hereby certify that I caused the foregoing *Seconde Amended Complaint for Patent Infringement* to be electronically filed and, thereby, causing it to be sent to counsel of record.

Date: <u>October 11, 2018</u>   */s/ Matthew M. Wawrzyn*