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9 *Transaction Secure, LLC*

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **WESTERN DIVISION**

13 TRANSACTION SECURE, LLC, a
14 foreign limited liability company,

15 Plaintiff,

16 vs.

17 DEVIANTART, INC., a foreign
18 corporation,

19 Defendant.

Case No.: 2:19-cv-05836

**COMPLAINT FOR PATENT
INFRINGEMENT**

**DEMAND FOR INJUNCTIVE
RELIEF**

DEMAND FOR JURY TRIAL

20 Plaintiff, TRANSACTION SECURE, LLC, sues Defendant,
21 DEVIANTART, INC., and alleges as follows:

22 **NATURE OF THE ACTION**

23 1. This is an action for infringement of United States Patent No.
24 8,738,921 under the Patent Act, 35 U.S.C. § 271, *et seq.*, based on Defendant's
25 unauthorized commercial manufacture, use, importation, offer for sale, and sale of
26 infringing products and services in the United States.

27 **PARTIES**

1 2. Plaintiff, TRANSACTION SECURE, LLC, is a foreign limited
2 liability company.

3 3. Defendant, DEVIANTART, INC., is a foreign corporation, organized
4 under the laws of the State of Delaware, with its headquarters in Los Angeles,
5 California. Defendant uses, sells, and/or offers to sell products and/or services in
6 interstate commerce that infringe the ‘921 Patent.

7 **SUBJECT MATTER JURISDICTION**

8 4. This court has original jurisdiction over the subject matter of this
9 action, pursuant to 28 U.S.C. §§ 1331 and 1338(a), because this action involves a
10 federal question relating to patents.

11 **PERSONAL JURISDICTION**

12 5. The court has general *in personam* jurisdiction over Defendant
13 because Defendant resides and is found in the State of California.

14 **VENUE**

15 6. Venue is proper in this court, pursuant to 28 U.S.C. § 1400(b),
16 because Defendant has a regular and established place of business in this district
17 and resides in this district.

18 **COUNT I**

19 **PATENT INFRINGEMENT**

20 7. Plaintiff repeats and re-alleges paragraphs 2 through 6 by reference, as
21 if fully set forth herein.

22 8. On May 27, 2014, the United States Patent & Trademark Office
23 (USPTO) duly and legally issued the ‘921 Patent, entitled “System and Method for
24 Authenticating a Person’s Identity Using a Trusted Entity.” A true and authentic
25 copy of the ‘921 Patent is attached hereto as **Exhibit “A”** and incorporated herein
26 by reference.

27 9. The ‘921 Patent teaches both a system and method for protecting
28 sensitive information from identity theft and claims an advancement over two-

1 factor authentication, which is now the predominate form of digital authentication
2 of sensitive information.

3 ***State of the Art***

4 10. The identity theft problem exists largely because a person's name,
5 SSN, and birthday are frequently used and given to others to verify the person's
6 identity. Individuals use this information to get employment, apply for a credit
7 card, obtain a mortgage, buy a mobile phone, get healthcare, and perform
8 numerous other transactions. A person's SSN and birthday are usually stored
9 electronically by businesses in databases or on physical paper documents which
10 can be viewed by many individuals within a business.

11 11. Once a person supplies his/her SSN and birthday, they lose control of
12 how that information will be used and who will view that information.

13 12. At times, business computer systems and databases get hacked into
14 allowing the hacker access to the person's personal identity information. At other
15 times, the SSN and birthday are transmitted to businesses and others electronically
16 via the Internet.

17 13. The Internet is an unsecured network, so information not properly
18 encrypted can be viewed by others on the Internet. There are various ways an
19 impersonator or identity thief can obtain a person's SSN or birthday. The thief can
20 obtain this information by looking at business records, viewing unencrypted
21 messages with this information, or other types of fraud.

22 14. Once a thief has someone's SSN and birthday, the thief can use that
23 information anytime during the lifetime of the person because of the permanence
24 of SSN and birthday and its association with the person. The SSN and birthday
25 have been reliable indicators of a person's existence but their widespread use by
26 both the person and identity theft impersonators has made them of little use in
27 authenticating the identity of person using the information.

28 ***The Patent-in-Suit***

1 15. Plaintiff is the assignee of the entire right, title, and interest in the
2 '921 Patent, including the right to assert causes of action arising under the '921
3 Patent.

4 16. The system and method of the '921 Patent increase the efficiency of
5 components that use software because of the benefits claimed by the '921 Patent,
6 namely flexibility and a higher degree of certainty as to authenticating that a
7 person is who he/she claims to be. The prior art is described as uncertain because
8 under the prior art, a user's assurance of authentication is limited to just
9 confirming that certain devices are what they claim to be, not that certain persons
10 are who they claim to be.

11 17. Through Claim 1, the '921 Patent claims:

12 A method for authenticating a person's identity to a
13 transactional entity using a trusted entity with a secure
14 repository of a person's personal identity information,
15 comprising: receiving personal identity information at a trusted
16 entity computer system, the personal identity information being
17 confidentially stored by the trusted entity computer system; in
18 the secure repository, storing a user identifier and a password
19 that are associated with, but do not contain, the personal
20 identity information; at the trusted entity computer system,
21 receiving a request from the person for a unique code, the
22 request including the user identifier and the password, the
23 person's identity having been previously authenticated by the
24 trusted entity computer system; providing the unique code to
25 the person, the unique code comprising a person identifier and a
26 key, wherein the unique code is thereafter transmitted to a
27 transactional entity to identify the person without providing the
28 personal identity information to the transactional entity; and the
trusted entity computer system confirming the unique code to
the transactional entity to verify the person's identity.

18. Through Claim 24, the '921 Patent claims:

23 A system for authenticating a person's identity to a
24 transactional entity using a trusted entity, comprising: a trusted
25 entity which receives personal identity information from a
26 person, the personal identity information being confidentially
27 stored by the trusted entity; a user identifier associated with but
28 not containing any of the personal identity information; a
password associated with but not containing any of the personal
identity information; a client module with a person input device
for a person to enter the user identifier and the password, a
person processing unit connected to the person input device to
prompt the person for the user identifier and the password, and

1 a person display unit connected to the person processing unit to
2 display a the key associated with a person identifier to form a
3 unique code to the person, the person's identity having been
4 previously authenticated by the trusted entity; a transactional
5 processing module with an transactional input device for the
6 transactional entity to enter the key, a transactional processing
7 unit connected to the transactional input device to prompt the
8 transactional entity for the key, and a transactional display unit
9 connected to the transactional processing unit to display a
10 message to the transactional entity authenticating the person's
11 identity and to display a photograph of the person, whereby the
12 photograph is a secondary verification to the unique code; and a
13 trusted entity server with a trusted entity processing unit to
14 process requests from the client module and the transactional
15 processing module using a network, and a database accessible
16 to the trusted entity processing unit to store the user identifier,
17 the password, the unique code, and the person's personal
18 identity information, including the photograph.

19 19. Overall, the claims of the '921 Patent do not merely gather, analyze,
20 and output data, nor does the '921 Patent merely add an algorithm to old data to
21 generate new data. Instead, the '921 Patent teaches a system and method that is
22 not concerned with manipulation of data, but rather, an improvement in the state of
23 the art no matter what the underlying data describes.

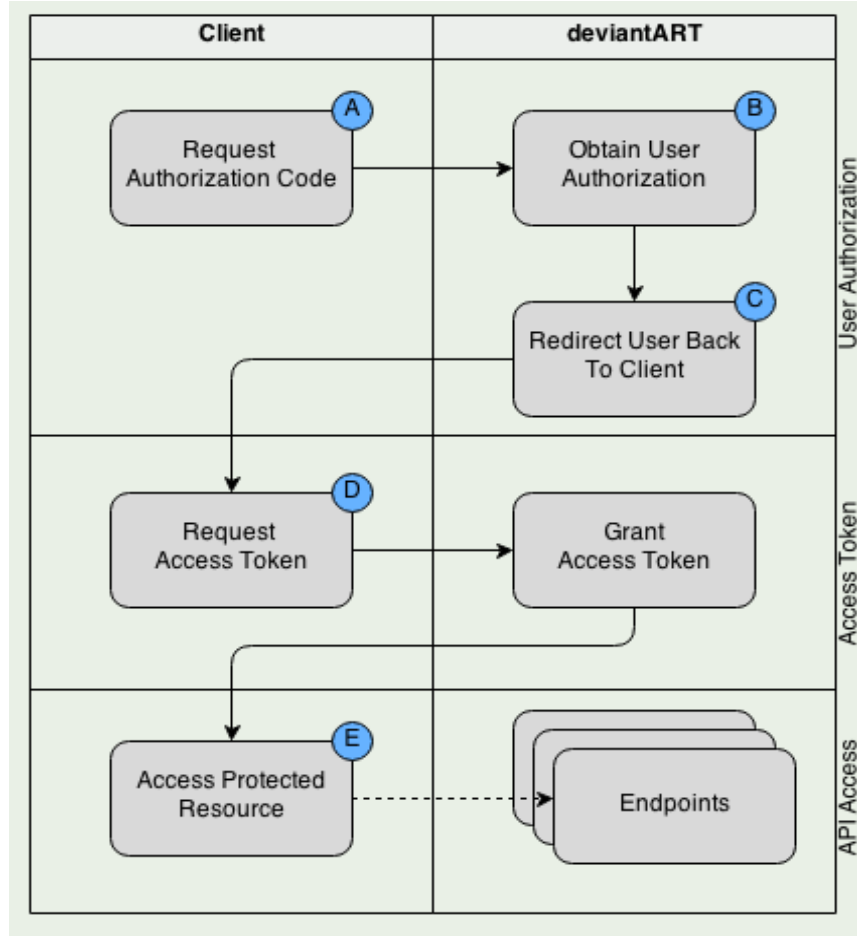
24 20. Defendant infringes at least Claim 1 of the '921 Patent through an
25 authentication method it uses, along with a system for authenticating a person's
26 identity, which such method is disclosed at:

27 <https://www.deviantart.com/developers/authentication>.

28 21. Defendant's website operates as the Accused Product.

29 22. The Accused Product is a trusted entity, as claimed by Plaintiff, to
30 authenticate account holders when such holders want to access a service from a
31 resource server (i.e., a transactional entity), by using non-personal information for
32 securing personal data:

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The client redirects the user to deviantART for the user to authorize the clients access to their account. The client must provide redirect_uri and any scopes they wish to access.

Before directing the resource owner back to the client with the authorization code, the authorization server authenticates the resource owner and obtains authorization. Because the resource owner only authenticates with the authorization server, the resource owner's credentials are never shared with the client.

23. The Accused Product receives personal information from users at a trusted entity computer system, such as their name, age, birthdate, email address, phone number etc. when users create an account. Defendant then confidentially

1 stores this data for promoting safety and security, through a process explained at
2 <https://about.deviantart.com/policy/privacy/>.

3 24. Defendant, in a secure repository, provides users with authorization
4 login details (i.e., user identifier and password) that they are associated with, but
5 the login details do not contain the personal details.

6 25. The user then requests Defendant for resource access to a trusted
7 entity computer system. The request includes the user identifier and the password.
8 Defendant provides an authorization code to obtain an access token and ID token
9 for accessing the services.

10 26. Defendant provides a unique authorization code to the user in
11 response of the request of the user, which includes a user identified and access
12 key, wherein the unique code is thereafter transmitted to a transactional entity to
13 authenticate the user's identity without giving personal information to the
14 transactional entity.

15 27. The unique authorization code is required to obtain an access token.
16 This access token then used by the user for accessing the services.

17 28. In the Accused Product, the user identity is verified by the resource
18 server by using the authorization code to allow the user to access the code.

19 29. Upon information and belief, Defendant has known of the existence of
20 the '921 Patent, and its acts of infringement have been willful and/or in disregard
21 for the '921 Patent, without any reasonable basis for believing that it had a right to
22 engage in the infringing conduct.

23 30. Defendant's acts of infringement of the '921 Patent have caused and
24 will continue to cause Plaintiff damages for which Plaintiff is entitled to
25 compensation pursuant to 35 U.S.C. § 284.

26 31. Defendant's acts of infringement of the '921 Patent have caused and
27 will continue to cause Plaintiff immediate and irreparable harm unless such
28 infringing activities are also enjoined by this court pursuant to 35 U.S.C. § 283.

1 Plaintiff has no adequate remedy at law.

2 32. Upon information and belief, the ‘921 Patent, at all times material,
3 was and is in compliance with 35 U.S.C. § 287.

4 **WHEREFORE**, Plaintiff, TRANSACTION SECURE, LLC, demands
5 judgment against Defendant, DEVIANTART, INC., and respectfully seeks the
6 entry of an order (i) adjudging that Defendant has infringed the ‘921 Patent, in
7 violation of 35 U.S.C. § 271; (ii) granting an injunction enjoining Defendant, its
8 employees, agents, officers, directors, attorneys, successors, affiliates, subsidiaries
9 and assigns, and all of those in active concert and participation with any of the
10 foregoing persons or entities from infringing the ‘921 Patent; (iii) ordering
11 Defendant to account and pay damages adequate to compensate Plaintiff for
12 Defendant’s infringement of the ‘921 Patent, with pre-judgment and post-
13 judgment interest and costs, pursuant to 35 U.S.C. § 284; (iv) ordering that the
14 damages award be increased up to three times the actual amount assessed, pursuant
15 to 35 U.S.C. § 284; (v) declaring this case exceptional and awarding Plaintiff its
16 reasonable attorneys’ fees, pursuant to 35 U.S.C. § 285; and, (vi) awarding such
17 other and further relief as this court deems just and proper.

18 **DEMAND FOR JURY TRIAL**

19 Plaintiff, TRANSACTION SECURE, LLC, hereby demands a trial by jury
20 of all issues so triable pursuant Fed. R. Civ. P. 38 and Local Rule 38–1.

21 /s/ Coleman Watson
22 Coleman W. Watson, Esq.

23
24 **DATED** on July 8, 2019

25
26 Respectfully submitted,
27 WATSON LLP
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