

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

LANDMARK TECHNOLOGY A, LLC,

Plaintiff,

v.

THE ESSENTIAL BAKING COMPANY, INC.

Defendants.

Civil Action No.

COMPLAINT FOR PATENT
INFRINGEMENT

JURY DEMAND

COMPLAINT FOR PATENT INFRINGEMENT

COMES NOW, Plaintiff Landmark Technology A, LLC (“Landmark A”), for its
Complaint against The Essential Baking Company, Inc. (“Defendant” or “Essential Baking”),
alleges as follows:

THE PARTIES

1. Plaintiff Landmark Technology A, LLC (“Landmark A”) is a limited liability
company organized under the laws of the State of North Carolina.

2. On information and belief, The Essential Baking Company, Inc. (“Essential
Baking”) is a company organized under the laws of Washington with a principal place of business

1 located at 5601 1st Avenue South, Seattle, WA 98108. Landmark A is further informed and
2 believes, and on that basis alleges, that Essential Baking operates the website
3 <https://essentialbaking.com/>, which sells bread and baking products. Essential Baking derives a
4 significant portion of its revenue from sales and distribution via electronic transactions conducted
5 on and using at least, but not limited to, the Internet websites located at <https://essentialbaking.com>
6 and/or the functionality found through the “shop online” and “view account” functions, and
7 incorporated and/or related systems (collectively the “Essential Baking Website” or “Accused
8 Instrumentality”). Landmark A is informed and believes, and on that basis alleges, that, at all
9 times relevant hereto, Essential Baking has done and continues to do business in this judicial
10 district, including, but not limited to, providing products/services to customers located in this
11 judicial district by way of the Essential Baking Website.

12 13 JURISDICTION AND VENUE

14 3. This is an action for patent infringement in violation of the Patent Act of the United
15 States, 35 U.S.C. §§ 1 *et seq.*

16 4. This Court has original and exclusive subject matter jurisdiction over the patent
17 infringement claims for relief under 28 U.S.C. §§ 1331 and 1338(a).

18 5. This Court has personal jurisdiction over Essential Baking because it maintains its
19 principal place of business in the state of Washington. On information and belief, Essential
20 Baking has transacted and is continuing to transact business in this District that includes, but is not
21 limited to, the use of products and systems that practice the subject matter claimed in the patents
22 involved in this action.

23 6. Venue is proper in this district under 28 U.S.C. § 1400(b) because Essential Baking
24 is registered with the Secretary of State in the State of Washington and thus resides in this district
25 under the Supreme Court’s opinion in *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 137
26 S. Ct. 1514 (2017). Further, upon information and belief, Essential Baking has committed acts of
27 infringement in this district and a regular and established place of business in this district.

FACTS

7. On March 7, 2006, United States Patent No. 7,010,508 entitled “Automated Multimedia Data Processing Network” was duly and legally issued to Lawrence B. Lockwood as inventor. A true and correct copy of United States Patent No. 7,010,508 (“the ‘508 Patent”) is attached hereto as Exhibit A and incorporated herein by this reference.

8. Specifically, the ‘508 Patent claims a novel automated multimedia data processing system, including an interactive multimedia terminal employing an unconventional hardware architecture enabling an inventive form of data processing according to backward-chaining and forward-chaining sequences.

9. By January 24, 1986—the date to which the Asserted Claim of the ‘508 Patent claims priority—conventional “self-service terminals,” such as that disclosed in U.S. Pat. No. 4,359,631 (“the ‘631 Patent”), had “evolved to a high degree of sophistication.” Ex. A, 1:37-40. A true and correct copy of the ‘631 Patent is attached as Exhibit B and incorporated herein by this reference. In spite of their sophistication, however, conventional terminals of the day were nonetheless incapable of “the more complex types of goods and services distribution which requires a great deal of interaction between individuals and institutions.” Ex. A, 1:39-44. In particular, conventional terminals were incapable of “processing” “according to backward-chaining and forward-chaining sequences,” as claimed in claims 1 and 16 of the ‘508 Patent. Conventional terminals were also incapable of “analyzing” “operator-entered information” and, “responsive to said means for analyzing,” “presenting additional inquiries in response to said operator-entered information,” as claimed in claim 1 of the ‘508 Patent. Thus, in the ‘631 Patent—which disclosed Mr. Lockwood’s own prior terminal and was the principal piece of prior art to the ‘508 Patent, explicitly identified therein as among the most sophisticated terminals of its day—employed a menu-driven approach to interaction with the user. As the inventor explained during prosecution of the ‘508 Patent, the “procedure [of the prior art terminal disclosed in the ‘631 Patent] followed a rigid, pre-ordained sequence...following a fixed menu tree.” A true and

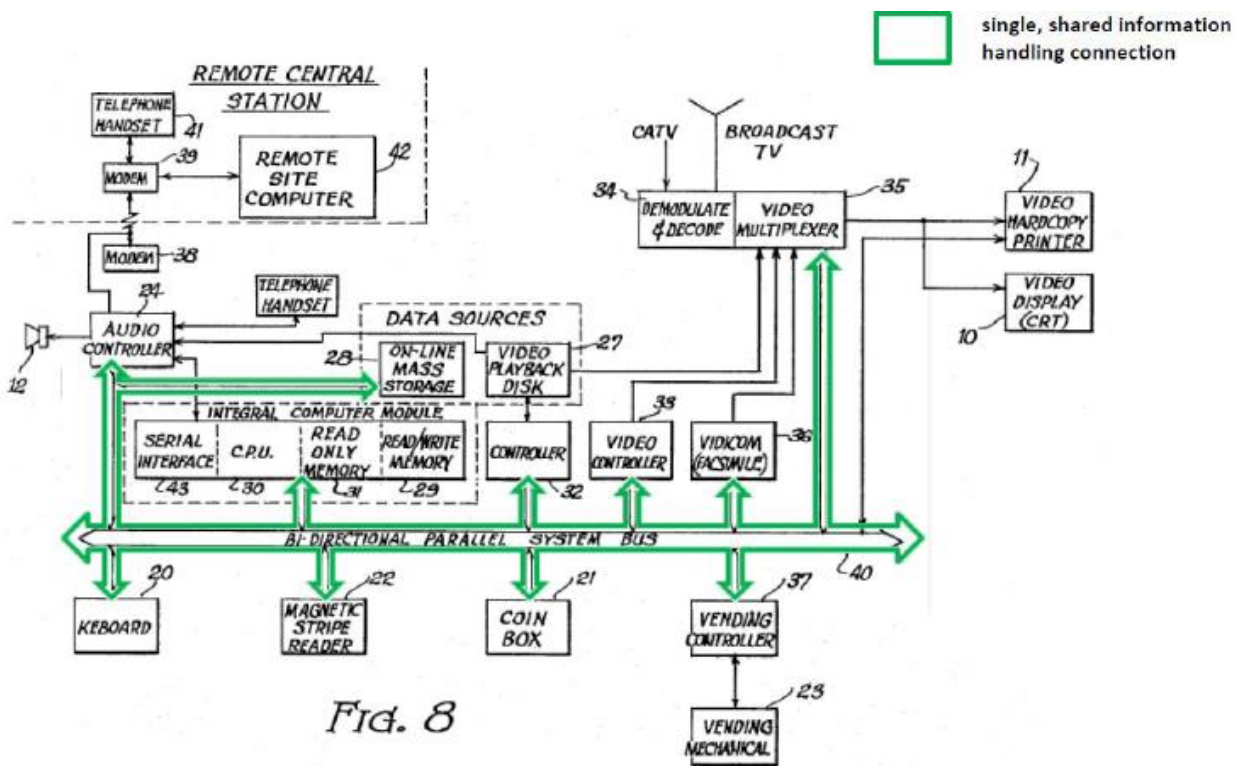
1 correct copy of the inventor's amendment during prosecution of the '508 Patent is attached hereto
2 as Exhibit C and incorporated herein by this reference. *See* Ex. C at 16. "In this primitive type of
3 interactive process, the machine need not analyze the answer because each answer leads
4 progressively to the next predetermined step in accordance with the sequence imposed by the
5 menu tree." *Id.* By contrast, "the claimed system" of the '508 Patent "has the novel capability of
6 processing the answer given by the operator in combination with prior answers and/or other data to
7 formulate or compose a new inquiry, to request other information from a central processor, or a
8 response, and to make on-site decisions about the next operational step. The net effect and result
9 being the operator's responses create a highly individualized, unique, 'one-of-a-kind' question and
10 answer presentation." *Id.* at 20. Whereas the terminal of the '631 patent employed a "backward-
11 chaining" approach, the '508 Patent "employs a type of problem solving technique known in the
12 art as 'forward-chaining,'" a technique "associated with knowledge bases that have large numbers
13 of possible solutions." *Id.* at 21-24. "Because each proposed applicant" using the terminal (or
14 "station") of the '508 Patent "will provide different answers to earlier questions, the proposed
15 applicant may be provided with subsequent questions different from those posed to some other
16 proposed applicant." *Id.* at 24. In other words, each user of the claimed system of the '508 Patent
17 "will be provided with an individualized presentation." *Id.* These capabilities are reflected in the
18 "processing" according to "backward-chaining and forward-chaining sequences" elements of
19 claims 1 and 16, as well as the "means for analyzing" element of claim 1.

20 10. As a three-judge panel of the Board of Patent Appeals and Interferences
21 unanimously recognized, the prior art terminal of the '631 Patent did "not disclose both
22 'backward-chaining and forward-chaining sequences.'" A true and correct copy of the Board's
23 decision is attached as Exhibit D, and incorporated herein by this reference. *See* Ex. D at 5.
24 Employing both backward-chaining and forward-chaining sequences in an automated multimedia
25 data processing system, as claimed in claim 1 and 16 of the '508 Patent, was an inventive concept
26 and unconventional in 1986, rendering the claims eligible under 35 U.S.C. § 101. However, for
27 such a system to carry out a properly interactive presentation required hardware improvements that

1 would enable the terminal to support an interactive video presentation while at the same time
2 receiving and transmitting data to and from a computerized installation. For example, as
3 explained during prosecution, the “means for interactively directing” element specifically requires
4 “selective retrieval of the data received through and from the central processor” and the “phrase
5 ‘interactively directing’” was explicitly defined as “refer[ring] to the ability of the various cited
6 elements to ‘interact’, that is to exchange information and act in accordance with received data,”
7 i.e., data received from the central processor. Ex. C at 19. The “means for interactively directing,”
8 as limited by or in combination with the requirement for “processing” “according to backward-
9 chaining and forward-chaining sequences” in Claims 1 and 16, required a hardware architecture
10 capable of supporting the retrieval of data from the central processor via the data receiving and
11 transmitting means while supporting an interactive video presentation on the video display. Such a
12 system would then be able not only to “process[] a user entry in combination with extrinsic
13 information” obtained from the central processor (such as “the financial profile of the customer”)
14 via the data receiving and transmitting means, “but to make suggestions, or independently provide
15 something different than what was requested but more responsive to the user’s needs” and output it
16 via the video display. Ex. C. at 19-20. But attempting to perform these functions at the same time
17 on the prior art terminals of the early-to-mid 1980’s, such as that disclosed in the ‘631 Patent,
18 would have resulted in the congestion of their systems, rendering them virtually inoperable. These
19 technical limitations of the prior art terminals were recognized by persons of ordinary skill in the
20 art, as evidenced by the declaration of Joey A. Maitra, an engineer with extensive experience in the
21 relevant subject matter who held multiple positions in industry during the 1980’s. A true and
22 correct copy of the Maitra Declaration is attached as Exhibit E, and incorporated herein by this
23 reference.

24 11. The structure employed by the prior art terminal of the ‘631 Patent had, by 1986,
25 become conventional. That structure, and its technical limitations, are representative of
26 terminals of the period. As shown in Figure 8 of the ‘631 Patent, the terminal “employs a bi-
27 directional parallel bus oriented input/output structure.” Ex. B, 4:57-59 & Fig. 8.

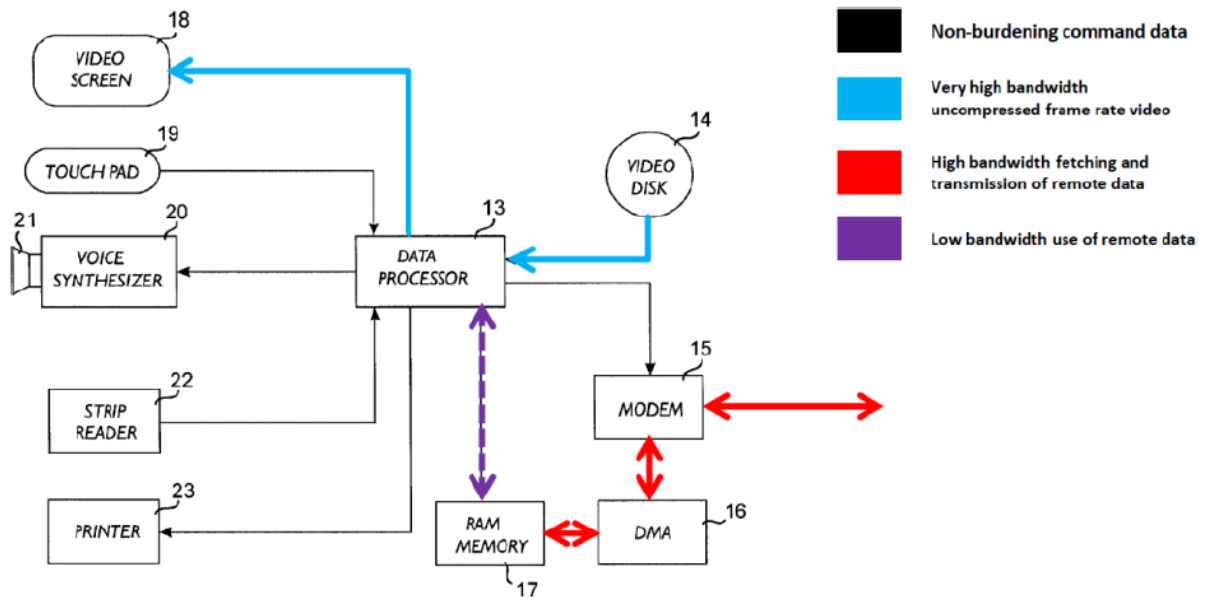
**‘631 Patent, Figure 8 – The Prior Art Terminal
and its Single, Shared Information Handling Connection**



This information handling connection—bus 40—was *shared* among the terminal’s systems. Ex. B, 4:62-64 (noting this “structure . . . accommodate[s] the various terminal components.”). This structure presented a significant technical problem: in order to carry provide a higher degree of interactivity appropriate to the “more complex” transactions the ‘508 Patent sought to carry out, the terminal’s video playback and communication systems would have been required to operate at the same time. However, persons of ordinary skill in the art would have recognized that this would have exhausted the data transfer capacity of conventional terminals. Ex. E [Maitra Decl.] ¶¶ 12, 14, 23.

12. To solve these issues, the '508 Patent introduced a novel hardware improvement in the terminal (here claimed as a "station"). As demonstrated in Figure 2 of the '508 Patent, a

'508 Patent, Figure 2 – Unconventional Arrangement of DMA Within a Second, Independent Information Handling Connection



DMA unit was positioned independently along its own information handling connection within the terminal, unlike the systems of the prior art. Ex. A, Fig. 2. Whereas prior art terminals would have incorporated a DMA unit into a single information handling connection shared among their systems (such as that illustrated in Fig. 8 of the '631 Patent), the '508 Patent disclosed two independent information handling connections designed to prevent congestion resulting from concurrent operation of the terminal's systems (here claimed as a "station"). Ex. E [Maitra Decl.] ¶¶ 15, 23. As the specification of the '508 Patent explains, the terminal's modem "handles a batch of information through a direct memory access [DMA] unit 16, to and from a RAM memory"—i.e., placing information directly into memory along an independent information handling connection, and not, as in the prior art, by first traversing a shared connection already bogged down by other systems. Ex. A, 3:41-43; Ex. E [Maitra Decl.] ¶¶ 17-19; 21-23. This

1 unconventional hardware architecture enabled a higher level of interactivity and personalization of
2 user transactions than was possible on conventional terminals in 1986, such as that disclosed in the
3 ‘631 Patent. Persons of ordinary skill in the art would have recognized that the architecture of the
4 terminal claimed in the ‘508 Patent overcame the technical limitations of conventional terminals,
5 enabling the terminal to provide a richer interactive presentation to the user while simultaneously
6 utilizing its communication systems to fetch necessary data from remote sources. *See* Ex. E
7 [Maitra Decl.] ¶ 15. This unconventional hardware architecture disclosed in Figure 2 and
8 elsewhere in the specification of the ‘508 Patent is required throughout many of the claim elements
9 of claims 1 and 16, particularly the “means for interactively directing,” and constitutes one of the
10 ‘508 Patent’s “inventive concepts,” rendering the claims eligible under 35 U.S.C. § 101. Another
11 of the ‘508 Patents “inventive concepts,” which is enabled by its structure, is “an unconventional
12 analytic technique whereby the claimed station is capable of analyzing data to determine if an
13 additional inquiry is appropriate for presentation to the user,” reflected in the “means for
14 processing” element of claim 1. Ex. E [Maitra Decl] ¶ 19.

15 13. Following a reexamination of the ‘508 Patent, the United States Patent and
16 Trademark Office issued an Ex Parte Reexamination Certificate, US 7010508 C1, confirming the
17 validity of claims 1-7 and claims 16-17, while cancelling claims 8-15, which were much broader
18 than those held valid. A true and copy of the Ex Parte Reexamination Certificate is attached hereto
19 as Exhibit F and incorporated herein by this reference. As the PTO Examiner observed in
20 confirming the validity of claims 1-7 and 16-17 of the ‘508 Patent, the prior art “disclosures teach
21 away” from those claims. A true and correct copy of the Examiner’s Office Action is attached
22 hereto as Exhibit G, and incorporated herein by this reference. *See* Ex. G at 98. The Examiner
23 thus rejected the third-party requester’s “uncollaborated [sic] conclusions” that the combination of
24 backward and forward-chaining techniques claimed in the ‘508 Patent “would have been
25 considered obvious” or would have required “only mere software changes,” instead holding claims
26 1-7 and 16-17 valid. *Id.*

14. Landmark A is the exclusive licensee of the entire right, title and interest in and to the '508 Patent, including all rights to enforce the '508 Patent and to recover for infringement. The '508 Patent is valid and in force.

15. As more fully laid out below, Essential Baking has been and is now infringing the '508 Patent, in this judicial district and elsewhere, by providing its products/services using electronic transaction systems, which, individually or in combination, incorporate and/or use subject matter claimed by the '508 Patent.

FIRST CLAIM FOR RELIEF

(Direct Infringement of the '508 Patent, in Violation of 35 U.S.C. § 271(a))

16. Landmark A refers to and incorporates herein by reference paragraphs 1-15.

17. Essential Baking has directly infringed, and continues to directly infringe, at least Claim 1 of the '508 Patent in this judicial district and elsewhere in the state of Washington and the United States, through the sales and distribution via electronic transactions conducted on and using at least, but not limited to, the Essential Baking Website.

18. The Essential Baking Website functionality referenced above is “an automated multimedia system for data processing” practicing the claims of the '508 Patent.

19. By way of example only, and without limitation, the Accused Instrumentality infringes at least Claim 1 of the '508 Patent in that, the Essential Baking Website's functionality and supporting server provide a system that, when accessed by a terminal, practices all of the limitations at least claim 1 on which Essential Baking processes business information and places purchase orders. Landmark A has outlined a sample of Essential Baking's infringement of claim 1 in the claim chart attached as Exhibit H and hereby incorporated by this reference.

20. Further, on information and belief, Essential Baking's Website exerts control over the transactions placed via the claimed terminal. On information and belief, when the terminal's browser accesses Essential Baking's Website, Essential Baking's server causes the browser to

1 place a “cookie” on the claimed terminal, which allows users to store items in the website’s
2 shopping cart.

3 21. Essential Baking, on information and belief, is also engaged in internal use of the
4 claimed system, by developing and testing versions of its Website on its own computers. For
5 example, Essential Baking employs an in-house “software developer” with a background in “web
6 application technologies.” See <https://www.linkedin.com/in/sean-gilliland-software-dev>. Essential
7 Baking, therefore, by the acts complained of herein, is making, using, selling, or offering for sale
8 in the United States, including in this District, products and/or services embodying the invention,
9 and has in the past and is now continuing to infringe the ’508 Patent, either literally or under the
10 doctrine of equivalents, in violation of 35 U.S.C. § 271(a).

11 22. Essential Baking threatens to continue to engage in the acts complained of herein
12 and, unless restrained and enjoined, will continue to do so, all to Landmark A’s irreparable injury.
13 It would be difficult to ascertain the amount of compensation that would afford Landmark A
14 adequate relief for such future and continuing acts, and a multiplicity of judicial proceedings
15 would be required. Landmark A does not have an adequate remedy at law to compensate it for the
16 injuries threatened.

17 23. By reason of the acts of Essential Baking alleged herein, Landmark A has suffered
18 damage in an amount to be proved at trial.

19 24. Landmark A is informed and believes, and on that basis alleges, that the
20 infringement by Essential Baking is willful, wanton, and deliberate, without license and with full
21 knowledge of the ’508 Patent, thereby making this an exceptional case entitling Landmark A to
22 attorneys’ fees and enhanced damages.

23 **SECOND CLAIM FOR RELIEF**

24 **(Inducing Infringement of the ’508 Patent, in Violation of 35 U.S.C. § 271(b))**

25 25. Landmark A refers to and incorporates herein by reference paragraphs 1-24.

26 26. Landmark A is informed and believes, and on that basis alleges, that Essential
27 Baking has actively and knowingly induced infringement of the ’508 Patent, in violation of 35

1 U.S.C. § 271(b) by, among other things, inducing its customers to utilize their own device in
2 combination with the Essential Baking Website, and incorporated and/or related systems, to search
3 for and order information and products from the Essential Baking Website in such a way as to
4 infringe the '508 Patent.

5 27. For example, Essential Baking is inducing its customers to infringe by encouraging
6 them to create new accounts and to sign in to their accounts using their login information to
7 retrieve their customer information.

8 28. By reason of the acts of Essential Baking alleged herein, Landmark A has suffered
9 damage in an amount to be proved at trial.

10 29. Essential Baking threatens to continue to engage in the acts complained of herein
11 and, unless restrained and enjoined, will continue to do so, all to Landmark A's irreparable injury.
12 Landmark A does not have an adequate remedy at law.

13 30. Landmark A is informed and believes, and on that basis alleges, that the
14 infringement by Essential Baking is willful, wanton, and deliberate, without license and with full
15 knowledge of the '508 Patent, thereby making this an exceptional case entitling Landmark A to
16 attorneys' fees and enhanced damages.

17 **PRAYER FOR RELIEF**

18 WHEREFORE, Landmark A prays for relief as follows:

19 A. Judgment that Essential Baking has directly infringed, and induced others to
20 infringe, the '508 Patent either literally and/or under the doctrine of equivalents;

21 B. Judgment that Essential Baking's infringement of the '508 Patent has been willful;

22 C. Judgment permanently enjoining Essential Baking, its officers, directors, agents,
23 servants, affiliates, employees, subsidiaries, divisions, branches, parents, attorneys,
24 representatives, and all others acting in concert or privity with any of them, from infringing the
25 '508 Patent, and from inducing others to infringe the '508 Patent;

26 D. Judgment awarding Landmark A general and/or specific damages, including a
27 reasonable royalty and/or lost profits, in amounts to be fixed by the Court in accordance with
28

1 proof, including enhanced and/or exemplary damages, as appropriate, as well as all of Essential
2 Baking's profits or gains of any kind from its acts of patent infringement;

3 E. Judgment awarding Landmark A enhanced damages pursuant to 35 U.S.C. § 284
4 due to the willful and wanton nature of Essential Baking's infringement;

5 F. Judgment awarding Landmark A all of its costs, including its attorneys' fees,
6 incurred in prosecuting this action, including, without limitation, pursuant to 35 U.S.C. § 285 and
7 other applicable law;

8 G. Judgment awarding Landmark A pre-judgment and post-judgment interest; and

9 H. Judgment awarding Landmark A such other and further relief as the Court may
10 deem just and proper.

11
12 **JURY DEMAND**

13 Pursuant to Federal Rule of Civil Procedure 38(b), Landmark A hereby demands a trial by
14 jury on all issues triable to a jury.

15
16 Dated: August 2, 2019

17 Respectfully submitted,

18 BANIE & ISHIMOTO LLP

19 By: /s/ John A. Lee, WSBA No. 35,550

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