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6 Attorneys for Plaintiff
7 SCANNING TECHNOLOGIES INNOVATIONS LLC, a Texas limited liability corporation

8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **DIVISION**

11 **SCANNING TECHNOLOGIES**
12 **INNOVATIONS, LLC**

13 Plaintiff,

14 v.

15 **SQUARE, INC.,**

16 Defendant.

PATENT

Case No. _____

ORIGINAL COMPLAINT FOR
PATENT INFRINGEMENT
AGAINST SQUARE, INC.

DEMAND FOR JURY TRIAL

17 Pursuant to F.R.C.P. 15(a)(1)(B), Plaintiff Scanning Technologies Innovations,
18 LLC (“Plaintiff” or “STI”) files this Original Complaint against Square, Inc. (“Defendant” or
19 “Square”) for infringement of United States Patent No. 9,934,528 (hereinafter “the ‘528 Patent”)
20 and alleges as follows:

21 **PARTIES AND JURISDICTION**

22 1. This is an action for patent infringement under Title 35 of the United States
23 Code. Plaintiff is seeking injunctive relief as well as damages.

24 2. Jurisdiction is proper in this Court pursuant to 28 U.S.C. §§ 1331 (Federal
25 Question) and 1338(a) (Patents) because this is a civil action for patent infringement arising
26 under the United States patent statutes.

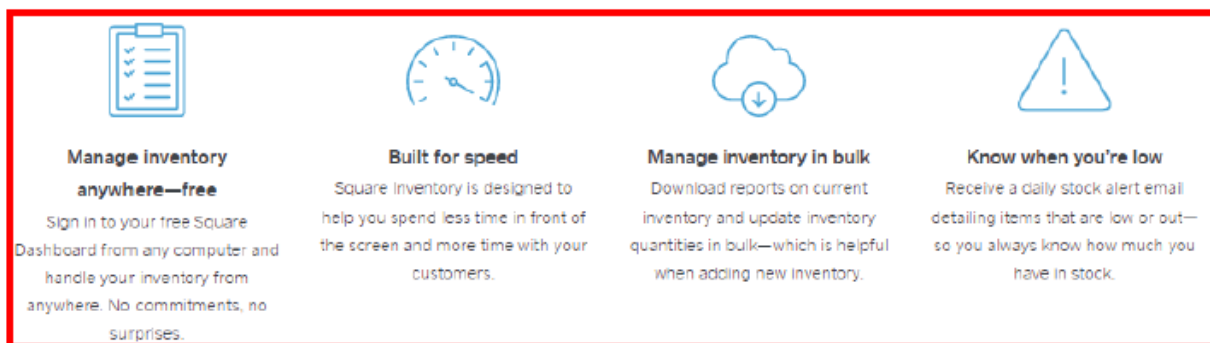
27 3. Plaintiff is a Texas limited liability company with its principal office located at
28 3131 McKinney Ave., Suite 600 Dallas, TX 75204.

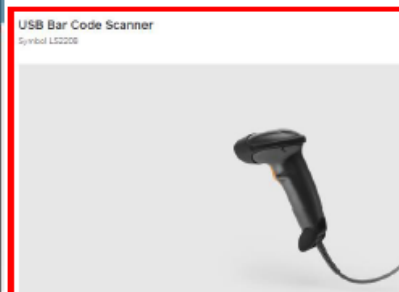
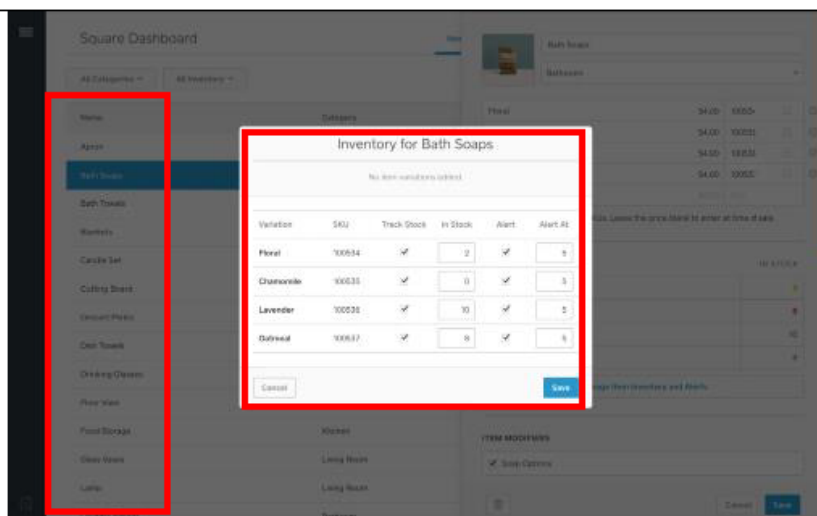
1 with Title 35 of the United States Code.

2 13. Upon information and belief, Defendant has infringed and continues to infringe
 3 one or more claims, including at least Claim 1, of the ‘528 Patent by making, using, importing,
 4 selling, and/or offering for sale a point of sale system and app covered by one or more claims
 5 of the ‘528 Patent. Defendant has infringed and continues to infringe the ‘528 Patent directly in
 6 violation of 35 U.S.C. § 271.

8 14. Defendant sells, offers to sell, and/or uses an online ordering system including,
 9 without limitation, the Squareup POS point-of-sale system, Square app, and any similar
 10 products (collectively, “Product”), which infringe at least Claim 1 of the ‘528 Patent.

11 15. The Product practices a system (e.g., Squareup POS) for indicating an existence
 12 of a link (e.g., indication of existence of a link obtained by selecting a checkbox of “Available
 13 in Point of Sale i.e. inventory tracking in POS”) to information pertaining to an article of
 14 commerce (e.g., products sold through the POS). Certain aspects of this element are illustrated
 15 in the screenshots below and/or those provided in connection with other allegations herein.





Basic Inventory Management

Square's inventory management gives you basic tools to keep a clear count of in-stock items in your item library. For items with inventory enabled, the stock count will update based on sales from the Square app, Square Invoices and for orders shipped through your Online Store.

Inventory is currently supported on devices running the latest version of Apple iOS or Google Android software. Be sure to run the most **up-to-date version of the Square app** on a **supported device**.

Add hardware instantly

Square Stand comes with a USB hardware hub, so you can easily add a receipt printer, cash drawer, bar code scanner, and more.

[Shop accessories](#)



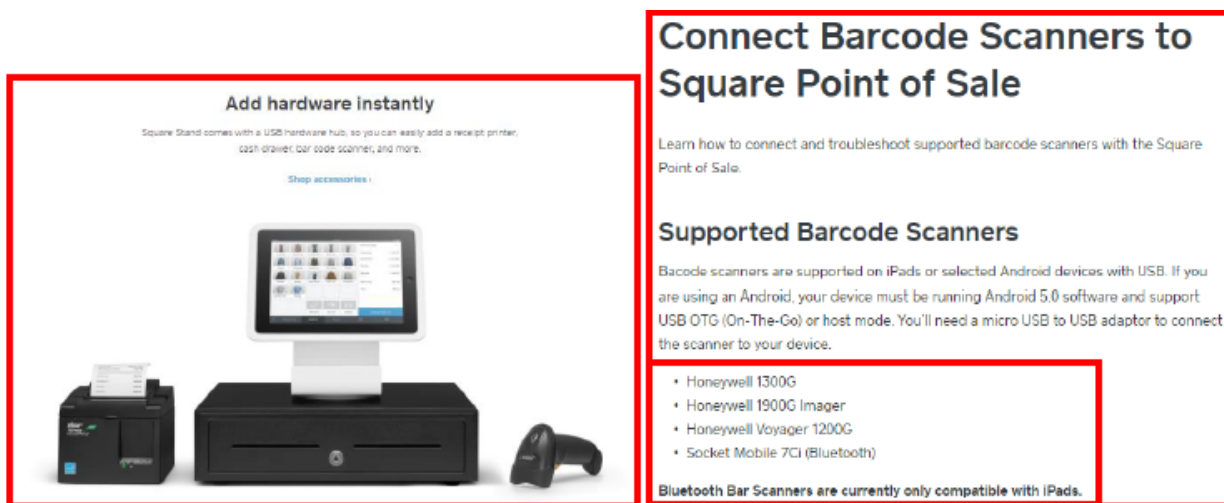
Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

Source: <https://squareup.com>

Source: <https://squareup.com/us/en/hardware/stand>

Source: <https://squareup.com/help/ca/en/article/5228-basic-inventory-management>

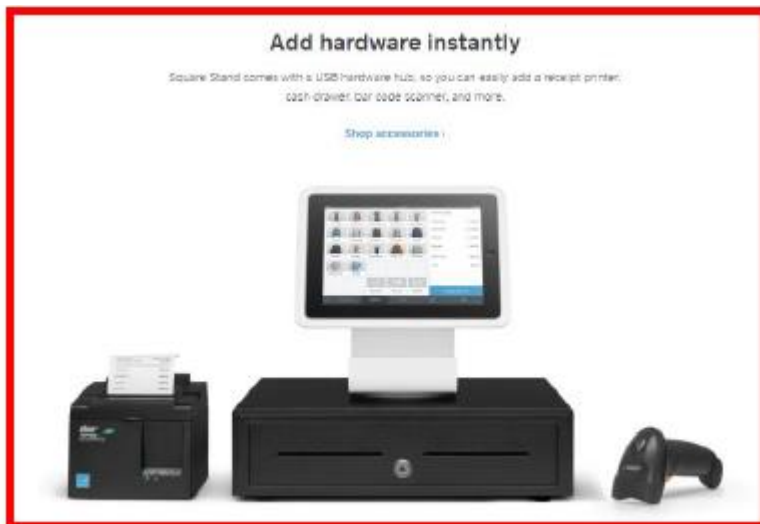
1 16. The Product comprises a mobile device running Squareup. The Product
 2 comprises a portable handheld housing (e.g., Honeywell 1300G) and a communication
 3 interface configured to enable the mobile device to communicate with a communication
 4 network (e.g., communication interface of the mobile device enabling communication over
 5 Internet). Certain aspects of this element are illustrated in the screenshots below and/or those
 6 provided in connection with other allegations herein.
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Source: <https://squareup.com/us/en/hardware/stand>

Source: <https://squareup.com/help/us/en/article/5143-connect-bar-code-scanners-to-square-point-of-sale>

18 17. The Product has a signal processing device (e.g., processor of the mobile
 19 device) and visual input device (e.g., barcode scanner supported by Squareup POS). Certain
 20 aspects of this element are illustrated in the screenshots below and/or those provided in
 21 connection with other allegations herein.
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10 Source: <https://squareup.com/us/en/hardware/stand>

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Connect Barcode Scanners to Square Point of Sale

14 Learn how to connect and troubleshoot supported barcode scanners with the Square Point of Sale.

15

16

Supported Barcode Scanners

17 Barcode scanners are supported on iPads or selected Android devices with USB. If you are using an Android, your device must be running Android 5.0 software and support USB OTG (On-The-Go) or host mode. You'll need a micro USB to USB adaptor to connect the scanner to your device.

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- Honeywell 1300G
 - Honeywell 1900G Imager
 - Honeywell Voyager 1200G
 - Socket Mobile 7Ci (Bluetooth)

22 **Bluetooth Bar Scanners are currently only compatible with iPads.**

23

24 Source: <https://squareup.com/help/gb/en/article/5143-connect-barcode-scanners-to-square-point-of-sale>

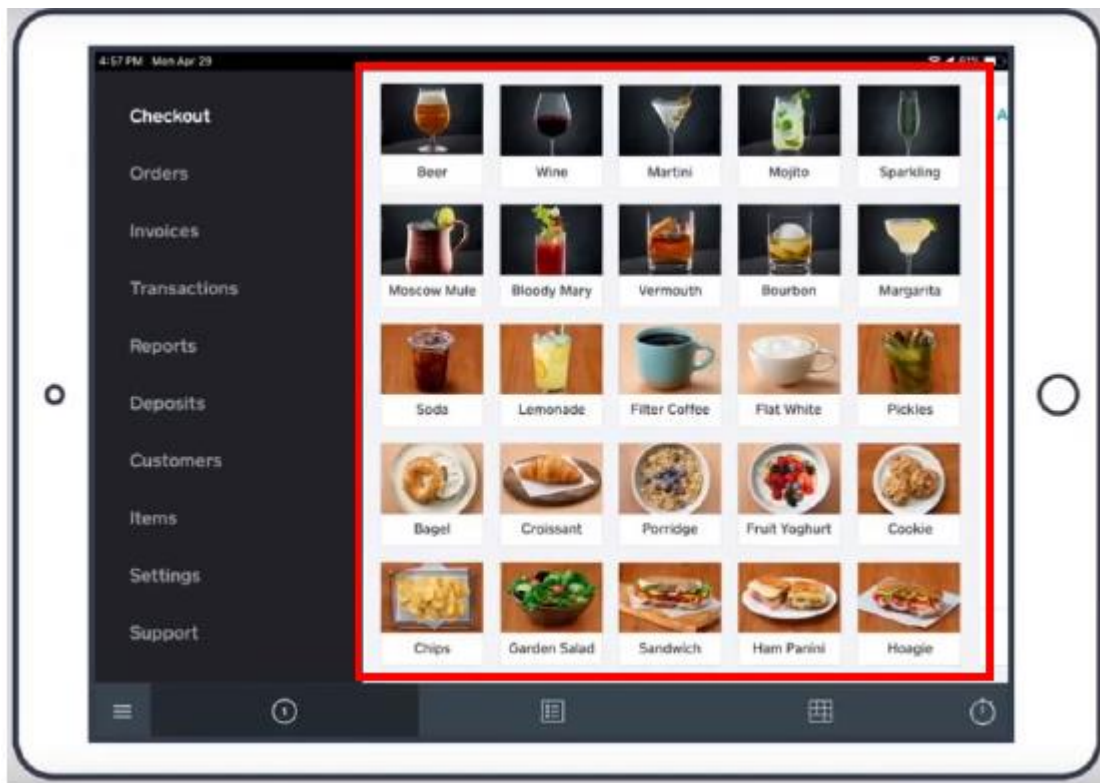
25 18. The visual input device (e.g., Honeywell 1300G) supported by Sqaureup POS

26 is affixed within the portable handheld housing. (e.g., housing of the Honeywell barcode

27 scanner). Certain aspects of this element are illustrated in the screenshots provided in

28 connection with other allegations herein.

1 19. The Product has digital files (e.g., customized logos, product images, etc.)
2 supported by Squareup POS and associated with the mobile device. Certain aspects of this
3 element are illustrated in the screenshots below and/or those provided in connection with other
4 allegations herein.
5



Create Items Online

1. Visit [Items](#) from your Square Dashboard and click **Create Item** at the top-right corner.
2. Fill in the item information. If your item has a bar code, add the SKU or UPC in the SKU field.
3. If you're adding an item image, we recommend the following image specs:
 - High resolution
 - PNG or JPG file format
 - Dimensions that are square
 - A size of 720x720 pixels
4. Enable [inventory management](#) to view item stock counts and stock alerts.
5. Click **Save**.

Edit and Delete Items Online

1. Log in to [Items](#) from your Square Dashboard.
2. Click on the item you wish to edit.
3. Make your changes and click **Save**.
4. To delete the item, click **Delete** > **Delete Item**.

Source: <https://squareup.com/help/global/en/article/5115-create-and-manage-items-online>

Source: <https://youtu.be/gtrPOXC4uUA>

20. On information and belief, the Product also includes a server accessed by Squareup POS in communication with the communication network (e.g., Internet). The cloud server comprises a server database (e.g., cloud database that stores information corresponding to products) and is configured to store a look-up table (e.g., the cloud database) which includes the details (e.g., price, quantity in stock, barcode, etc.) related to corresponding items (e.g., avocado toast). Certain aspects of this element are illustrated in the screenshots below and/or those provided in connection with other allegations herein.

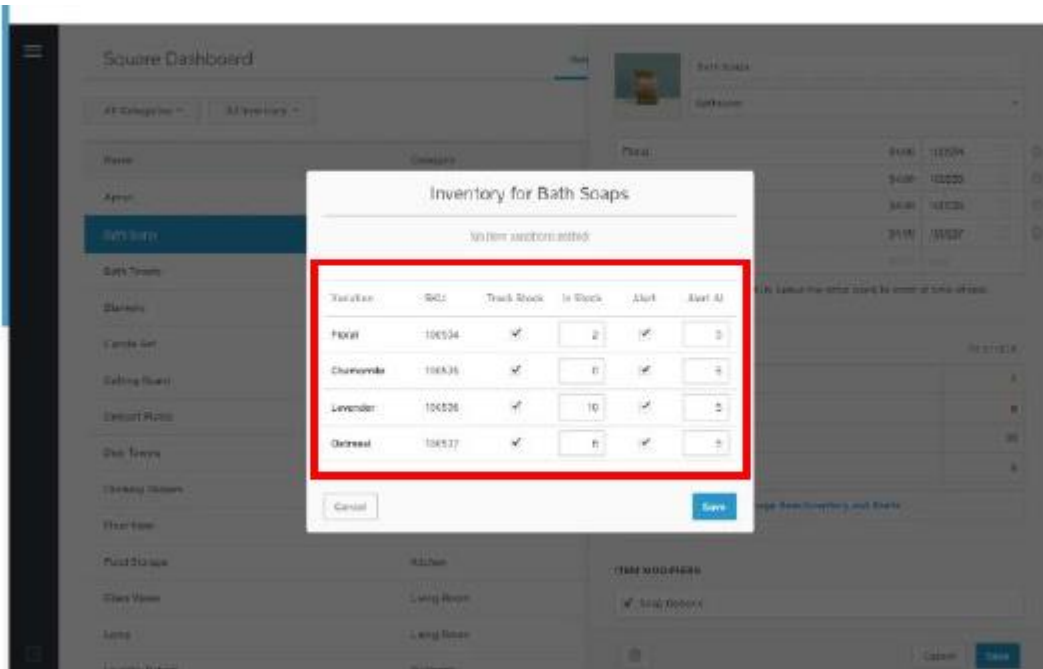
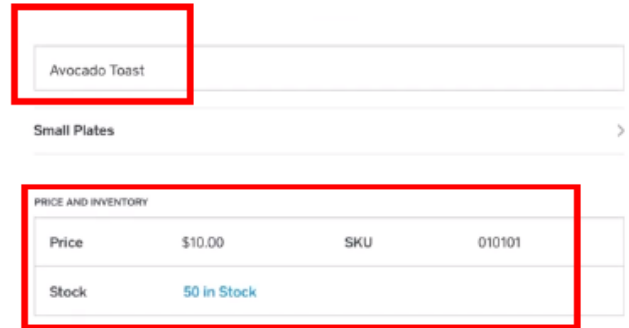
1 **What is a cloud POS?**

2 A cloud POS is a web-based point-of-sale system that lets you **process**
 3 **payments** through the Internet — without clunky and expensive servers,
 4 or pricy software that makes you buy a new version to upgrade. Cloud-
 5 based point-of-sale systems process all payment transactions and
 6 updates online, rather than on your local computer.

7 With Square's cloud POS software, your transaction and sales history are
 8 securely stored in the cloud, too. Rather than being tied to a countertop
 9 setup like a traditional POS running on a desktop computer, **cloud POS**
 10 **systems can run on any device — including tablets and smartphones.**

11 This is ideal for mobile businesses (like food trucks and home repair
 12 services). It's also good for brick-and-mortar businesses looking to create
 13 a cleaner, more modern register and speed up lines by taking payments
 14 from multiple points.

15 In addition to making sales anywhere from any device, you can also
 16 access your point of sale from wherever you are and manage your
 17 business remotely. **Sign up free here.**



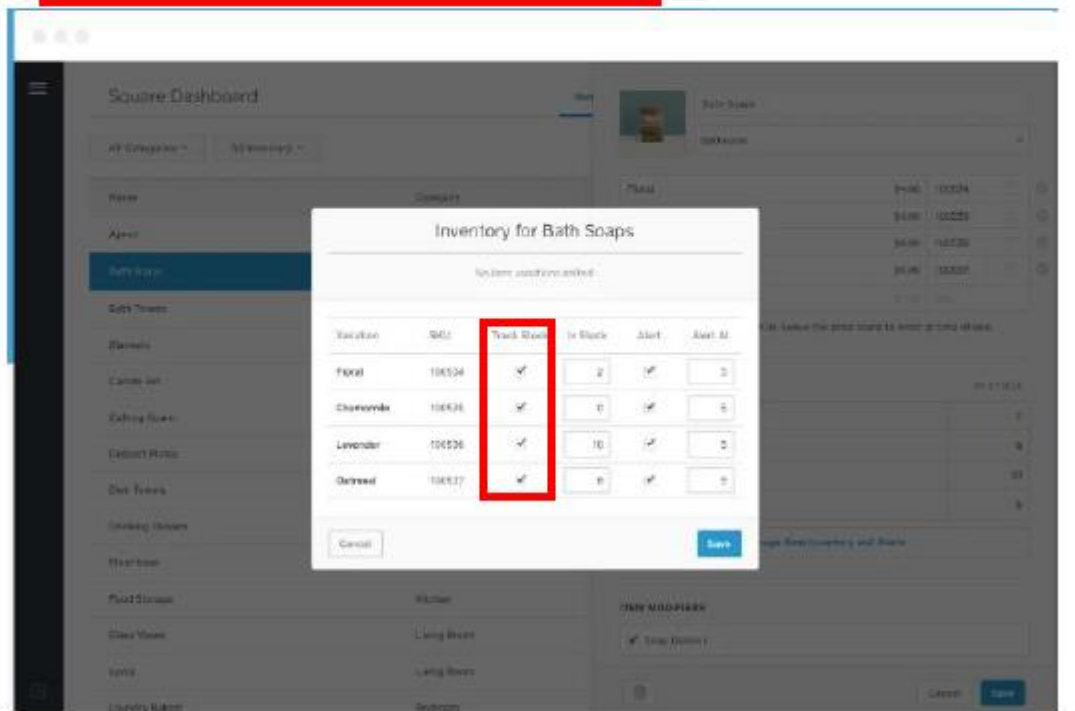
22 Source: <https://squareup.com/us/en/townsquare/cloud-pos>

23 Source: <https://youtu.be/gtrPOXC4uUA>

24 Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

25 21. The look-up (e.g., the remote database accessed by Square POS) also stores a
 26 plurality of information link indicators (e.g., “Available in Point of Sale i.e. inventory tracking
 27 in POS”) to information pertaining to an article of commerce (e.g., barcode number, quantity in
 28 stock, etc.). As shown in the screenshot below, the product “bath soaps” are available in

1 inventory stock. Certain aspects of this element are illustrated in the screenshots below and/or
 2 those provided in connection with other allegations herein.



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Manage inventory anywhere—free

Sign in to your free Square Dashboard from any computer and handle your inventory from anywhere. No commitments, no surprises.



Built for speed

Square Inventory is designed to help you spend less time in front of the screen and more time with your customers.



Manage inventory in bulk

Download reports on current inventory and update inventory quantities in bulk—which is helpful when adding new inventory.



Know when you're low

Receive a daily stock alert email detailing items that are low or out—so you always know how much you have in stock.

Source: <https://youtu.be/gtrPOXC4uUA>

Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

Source: <https://squareup.com/help/ca/en/article/5228-basic-inventory-management>

Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

22. Each information link indicator configured in Squareup POS (e.g., indication of existence of a link obtained by selecting a product name of “Available in Point of Sale i.e., inventory tracking in POS”) is associated with a respective symbology (e.g., barcode i.e. 010101) and an article of commerce (e.g., avacado toast). Certain aspects of this element are illustrated in the screenshots below and/or those provided in connection with other allegations herein.

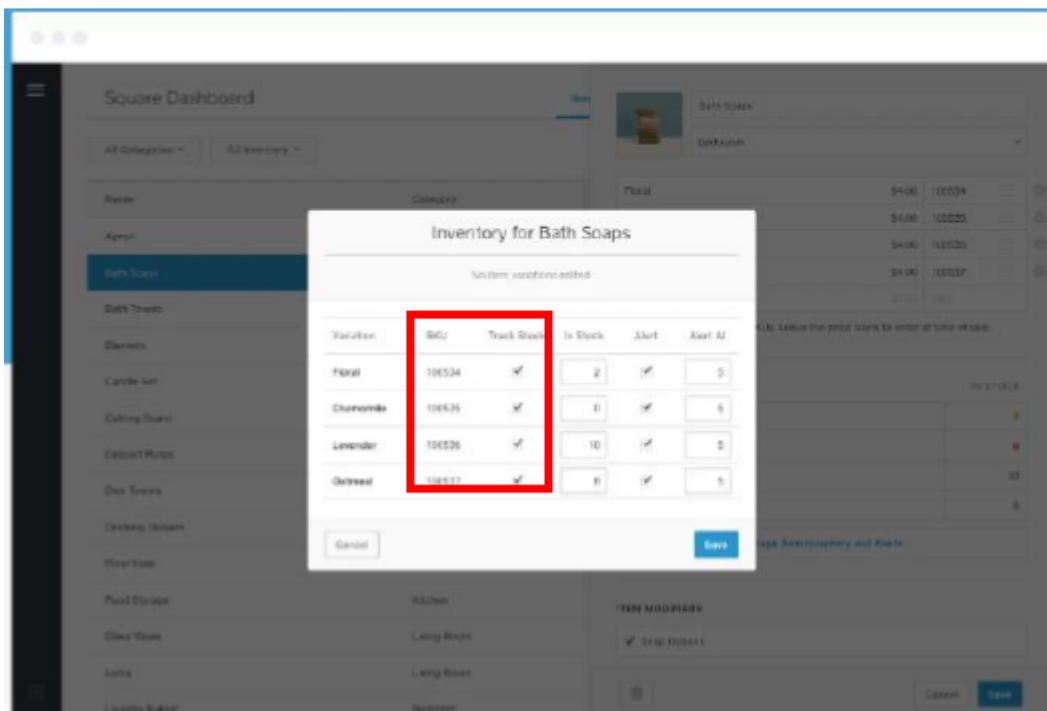
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Avocado Toast


Small Plates >

PRICE AND INVENTORY

Price	\$10.00	SKU	010101
Stock	50 in Stock		



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- Source: <https://youtu.be/gtrPOXC4uUA>
- Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>
- Source: <https://squareup.com/help/ca/en/article/5228-basic-inventory-management>
- Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

23. Each information link indicator (e.g., “Available in Point of Sale i.e. inventory tracking in POS”) is configured as a status signal indicating the existence or absence of a link to information pertaining to a respective article of commerce (e.g., indicating whether the link to information corresponding to “bath soaps” is available online or not). The link is made to the information via the communication network (e.g., link to information about the product in POS is accessed using Internet). Certain aspects of this element are illustrated in the screenshots below and/or those provided in connection with other allegations herein.

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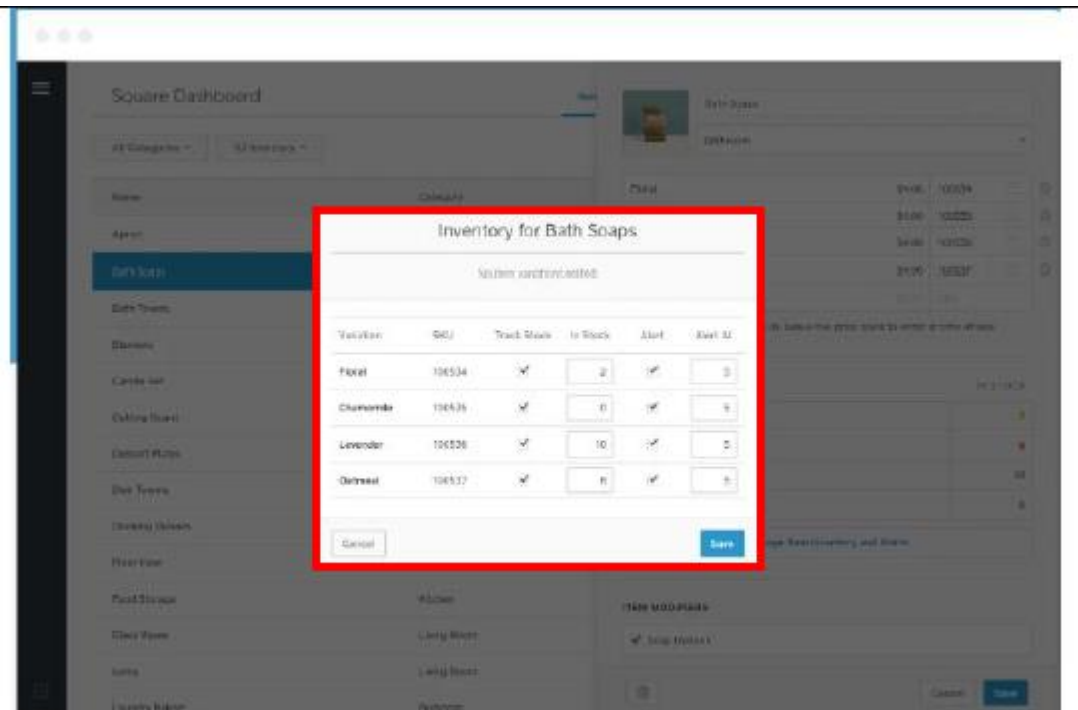
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1 **What is a cloud POS?**

2 A cloud POS is a web-based point-of-sale system that lets you **process**
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based point-of-sale systems process all payment transactions and
updates online, rather than on your local computer.

5 With Square's cloud POS software, your transaction and sales history are
6 securely stored in the cloud, too. Rather than being tied to a countertop
setup like a traditional POS running on a desktop computer, cloud POS
systems can run on any device — including tablets and smartphones.

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from multiple points.

9 In addition to making sales anywhere from any device, you can also
10 access your point of sale from wherever you are and manage your
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11 Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>
12 Source: <https://squareup.com/help/ca/en/article/5228-basic-inventory-management>

13 24. The visual input device (e.g., barcode reader) accessed by Squareup POS is
14 configured to scan an image of an article of commerce (e.g., scan barcode associated with a
15 product) and decode the image to obtain a symbology (e.g., decode barcode of the product) and
16 forward data from the scanned image to the signal processing device. Certain aspects of this
17 element are illustrated in the screenshots below and/or those provided in connection with other
18 allegations herein.
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Connect Barcode Scanners to Square Point of Sale

Learn how to connect and troubleshoot supported barcode scanners with the Square Point of Sale.

Supported Barcode Scanners

Barcode scanners are supported on iPads or selected Android devices with USB. If you are using an Android, your device must be running Android 5.0 software and support USB OTG (On-The-Go) or host mode. You'll need a micro USB to USB adaptor to connect the scanner to your device.

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- Honeywell 1900G Imager
- Honeywell Voyager 1200G
- Socket Mobile 7Ci (Bluetooth)

Bluetooth Bar Scanners are currently only compatible with iPads.

Add hardware instantly

Square Stand comes with a USB hardware hub, so you can easily add a receipt printer, cash drawer, bar code scanner, and more.

[Shop accessories](#)



Source: <https://squareup.com/us/en/hardware/stand>

Source: <https://squareup.com/help/us/en/article/5143-connect-bar-code-scanners-to-square-point-of-sale>

25. The signal processing device accessed by Squareup POS, in response to receiving the symbology (e.g., barcode), is configured to look up the symbology in the look-up table (e.g., look up the barcode) to determine from a respective information link indicator whether or not a link exists for accessing information pertaining to an article of commerce

1 associated with the symbology via the communication network. In response to receiving the
 2 symbology (e.g., barcode), system will display the availability or unavailability of product as
 3 well as information link related to the product. User can see the plurality of products and
 4 during the sale the user can track the inventory. Certain aspects of this element are illustrated
 5 in the screenshots below and/or those provided in connection with other allegations herein.
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Item	SKU	Track Stock	In Stock	Alert	Alert At
Nerol	100634	<input checked="" type="checkbox"/>	2	<input checked="" type="checkbox"/>	5
Shamwilde	100635	<input checked="" type="checkbox"/>	0	<input checked="" type="checkbox"/>	5
Lavender	100636	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>	5
Sulfured	100637	<input checked="" type="checkbox"/>	36	<input checked="" type="checkbox"/>	5

Fast setup.
 Import thousands of products quickly with CSV spreadsheets. Easily add inventory whenever item counts need adjusting.

Downloadable reports
 Export your inventory stock levels at any time to a printable spreadsheet.

Stock alerts
 Receive a daily email detailing items that are low or out of stock.

Item	Category	Locations	In Stock	Price
1. Pro Pie		All Locations	-	\$12.00 - \$14.00
14" Medium SQD Pizza	Pizza	Pizza Place	45	\$16.00
2 Eggs	EGG		-	\$3.99
A La Carte		CS	-	Variable
ABC Whiskey Sour	Cocktails	All Locations	-	\$6.00 - \$10.00
Agrodoli		Rose Restaurant	-	\$21.00
All Pastor	Tacos	All Locations	-	\$12.00 - \$14.00
Amanita Sour	Beer	Rose Restaurant	-	\$3.00 - \$20.00
American Burger	Burgers	All Locations	-	\$13.00 - \$15.00
Annunciation Chardonnay	Wine	All Locations	-	\$12.00 - \$45.00
Aruba	Cocktails	All Locations	-	\$12.00
Asiago Salad	Salads	All Locations	-	\$10.00
Assault & Care Care Toast	Breakfast Entree	3 Locations	-	\$5.00
Assault Toast	Small Plates	The Brasserie	50	\$10.00 - \$11.00
B&K Rock Gin	Liquor	Rose Restaurant	-	\$6.50 - \$18.00
Baby Rock Pie	Small Plates	All Locations	-	\$13.75

What is a cloud POS?

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Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

Source: <https://squareup.com/help/us/en/article/5115-create-and-manage-items-online>

Source: <https://squareup.com/help/ca/en/article/5228-basic-inventory-management>





26. The signal processing device accessed by Squareup POS determines whether or not the link exists without accessing the communication network (e.g., Squareup POS works in offline mode without accessing the Internet) to determine whether or not the link exists using information link indicator (i.e. “inventory tracking in POS”). Certain aspects of this element are illustrated in the screenshots below and/or those provided in connection with other allegations herein.

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Settings	Offline Mode
CHECKOUT OPTIONS	
Taxes 2 active	<div style="border: 1px solid #ccc; padding: 5px;"> <p>Allow Offline Mode <input checked="" type="checkbox"/></p> <p>Accept swiped card payments when your Internet service is temporarily unavailable. <small>Learn more at the Support Center.</small></p> </div>
Signature Always	
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Cash Management On	<div style="border: 1px solid #ccc; padding: 5px;"> <p>Per Transaction Limit \$100.00</p> <p><small>*Set a limit for card transactions taken offline. This limit does not include tips.</small></p> </div>
Offline Mode On	

POS and payment processing all in one place

No need to use any other payment processor. Accept cards, cash, checks, and gift cards all with the free Square Point of Sale app, even if your connection to the Internet goes down.

 Manage inventory anywhere—free Sign in to your free Square Dashboard from any computer and handle your inventory from anywhere. No commitments, no surprises.	 Built for speed Square Inventory is designed to help you spend less time in front of the screen and more time with your customers.	 Manage inventory in bulk Download reports on current inventory and update inventory quantities in bulk—which is helpful when adding new inventory.	 Know when you're low Receive a daily stock alert email detailing items that are low or out—so you always know how much you have in stock.
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- Source: <https://squareup.com/help/us/en/article/5095-process-payments-with-offline-mode>
- Source: <https://squareup.com/us/en/point-of-sale>
- Source: <https://squareup.com/help/ca/en/article/5228-basic-inventory-management>
- Source: <https://squareup.com/us/en/point-of-sale/features/inventory-management>

27. Defendant's actions complained of herein will continue unless Defendant is

1 enjoined by this court.

2 28. Defendant's actions complained of herein are causing irreparable harm and
3 monetary damage to Plaintiff and will continue to do so unless and until Defendant is enjoined
4 and restrained by this Court.

5 29. Plaintiff is in compliance with 35 U.S.C. § 287.

6
7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff asks the Court to:

9 (a) Enter judgment for Plaintiff on this Complaint on all causes of action asserted
10 herein;

11 (b) Enter an Order enjoining Defendant, its agents, officers, servants, employees,
12 attorneys, and all persons in active concert or participation with Defendant who receive notice of
13 the order from further infringement of United States Patent No. 9,934,528 (or, in the alternative,
14 awarding Plaintiff a running royalty from the time of judgment going forward);

15 (c) Award Plaintiff damages resulting from Defendant's infringement in accordance
16 with 35 U.S.C. § 284;

17 (d) Award Plaintiff pre-judgment and post-judgment interest and costs; and

18 (e) Award Plaintiff such further relief to which the Court finds Plaintiff entitled under
19 law or equity.
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