IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS (EASTERN DIVISION)

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C.A. No. 1:20-cv-04868 JURY TRIAL DEMANDED

PLAINTIFF'S AMENDED COMPLAINT FOR PATENT INFRINGEMENT

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Plaintiff Kioba Processing LLC ("Kioba" or "Plaintiff") files this Amended Complaint against Defendants DFS Corporate Services LLC ("DFS Corp."), DFS Services LLC ("DFS Serv."), and Discover Bank ("DB") (DFS Corp., DFS Serv., and DB are collectively referred to as "Defendant") for infringement of U.S. Patent No. 6,917,902 (the "'902 patent"), U.S. Patent No. 6,931,382 (the "'382 patent"), U.S. Patent No. 7,107,078 (the "'078 patent"), U.S. Patent No. 7,110,792 (the "'792 patent"), U.S. Patent No. 7,136,841 (the "'841 patent") (collectively the "asserted patents" or "the patents-in-suit").

THE PARTIES

1. Kioba is a Georgia limited liability company with its principal place of business at 44 Milton Ave., Suite 254, Alpharetta, GA, 30009, USA.

2. On information and belief, Defendant DFS Corp. is a corporation organized and existing under the laws of the State of Delaware, with a principal office located at 2500 Lake Cook Road, Riverwoods, Illinois 60015, and it conducts business in this judicial district. On information and belief, DFS Corp. is a wholly owned subsidiary of Discover Financial Services.

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3. On information and belief, Defendant DFS Serv. is a limited liability company organized and existing under the laws of the State of Delaware, with a principal office located at 2500 Lake Cook Road, Riverwoods, Illinois 60015, and it conducts business in this judicial district. On information and belief, DFS Serv. is a wholly owned subsidiary of Discover Financial Services.

4. On information and belief, DB is a banking corporation organized under the laws of the State of Delaware, with a principal place of business located at 502 E. Market Street, Greenwood, DE 19950, and it conducts business in this judicial district. On information and belief, DB is a wholly owned subsidiary of Discover Financial Services.

JURISDICTION AND VENUE

5. This action arises under the patent laws of the United States, namely 35 U.S.C. §§ 271, 281, and 284-285, among others.

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

7. Venue is proper in this Court pursuant to 28 U.S.C. § 1400(b). Defendant is subject to personal jurisdiction in this District. Defendant does business in the State of Illinois and in this District. Additionally, Defendant has regular and established places of business in this District, and upon information and belief, Defendant has individually transacted business in this District and/or committed acts of patent infringement in this District. Defendant maintains brick and mortar offices all over the country including, but not limited to, this District.

8. Defendant is subject to this Court's specific and general personal jurisdiction pursuant to due process, due at least to its substantial business in this State and judicial district, including: (A) at least part of its own infringing activities alleged herein; and (B) regularly doing or soliciting business, engaging in other persistent conduct, and/or deriving substantial revenue

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from infringing goods offered for sale, sold, and imported and services provided to Illinois residents vicariously through and/or in concert with its subsidiaries, intermediaries, and/or agents. Defendant has conducted and does conduct business within the Northern District of Illinois. Defendant, directly or through subsidiaries or intermediaries (including distributors, retailers, and others), ships, distributes, offers for sale, sells, and/or advertises (including through its web pages) its products and services (including products and/or services that infringe the asserted patents, as described more particularly below) in the United States, the State of Illinois, and the Northern District of Illinois. Defendant, directly and through subsidiaries or intermediaries (including distributors, retailers, and others), has purposefully and voluntarily placed one or more infringing products and/or services, as described below, into the stream of commerce with the expectation that they will be purchased and/or used by consumers in the Northern District of Illinois. These infringing products and/or services have been and continue to be purchased and/or used by consumers in the Northern District of Illinois. Defendant has committed acts of patent infringement within the State of Illinois and, more particularly, within the Northern District of Illinois.

THE ASSERTED PATENTS

9. The '902 patent is titled "System and method for processing monitoring data using data profiles." The inventions disclosed and claimed by the '902 patent relate to new and novel systems and methods for processing device data to provide authentication and/or security services. And more particularly, using unique data sets (e.g., biometric data) to ensure the identity of an individual, object, or event. The inventions further relate to using various monitoring mechanisms to verify the end user's identity.

- 10. The '902 patent lawfully issued on July 12, 2005.
- 11. The named inventor of the '902 patent is Bruce Alexander.

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12. Each claim in the '902 patent is presumed valid.

13. Each claim in the '902 patent is directed to patent eligible subject matter under 35U.S.C. § 101.

14. The specification of the '902 patent discloses shortcomings in the prior art and then explains, in detail, the technical way the inventions claimed by the '902 patent resolve or overcome those shortcomings. The '902 patent explains "[s]ome monitoring systems, such as security monitoring devices, have begun to incorporate biometric data monitoring devices, such as fingerprint scanners, retinal scanners, or facial recognition devices as part of a monitoring process. Although biometric monitoring devices can potentially facilitate the identification of individuals, objects and/or events, many traditional monitoring systems have not incorporated various biometric monitoring devices as part of an integrated monitoring process." '902 patent, 1:42-50. The '902 patent further explains that "some incoming biometric data is incompatible with the typical reference sources and/or processing rules. Thus, the use of biometric identification devices as part of an overall monitoring process is still limited. In addition to the lack of ability to integrate biometric data processing as part of a monitoring process, many traditional monitoring systems do not provide or support robust data sources required by the traditional biometric identification devices. One skilled in the relevant art will appreciate that biometric identification tools require the use of data templates and data rules that are used to process biometric sample data coming in from the monitoring devices." Id. at 1:54-66. At the time of the invention, "many closed monitoring systems [could not] efficiently support various biometric identification devices" or could not "utilize an external data template source if the data is maintained in an incompatible format." Id. at 2:3-9. The '902 patent recognized this drawback and solved the "need for a system" and method for centrally processing and distributing biometric data templates and data rules to one

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or more processing systems," as well as the "need for a system and method for processing specific instances and types of biometric data." *Id.* at 2:13-17. The techniques for monitoring and processing device data disclosed and claimed by the '902 patent were not routine or conventional at the time of their invention.

15. The '382 patent is titled "Payment instrument authorization technique." The inventions claimed in the '382 patent generally relate to a new and novel approach to protect against fraudulent credit and debit card activity.

16. The '382 patent lawfully issued on August 16, 2005.

17. The named inventors of the '382 patent are Dominic P. Laage and Maria T. Laage.

18. Each claim in the '382 patent is presumed valid.

19. Each claim in the '382 patent is directed to patent eligible subject matter under 35U.S.C. § 101.

20. The specification of the '382 patent discloses shortcomings in the prior art and then explains, in detail, the technical way the inventions claimed by the '382 patent resolve or overcome those shortcomings. The '382 patent explains online commerce creates numerous security risks associated with the storage of "sensitive financial data." '382 patent, 2:7-17. Online commerce presents numerous risks for both consumers and merchants. *Id.* Among other things, merchants face risks associated with fraudulent and unauthorized use. *See, e.g., id.* at 2:24-58. Similarly, consumers face risks associated with unauthorized access to their financial data. *See, e.g., id.* at 2:59-63. The '382 patent recognized these problems and the need for "a system and method for providing assurance to the merchant that the person attempting to make a purchase with a payment instrument is in fact the authorized user of the instrument. There also exists a need for a system and method that allows a merchant to prove that the authorized cardholder actually made the

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transaction. There also exists a need for a system and method for reducing the likelihood of a cardholder's issuing bank authorizing a fraudulent online transaction." *Id.* at 2:64-3:5. After identifying shortcomings in the prior art, the '382 patent provides technical solutions for preventing fraud and unauthorized transactions. More specifically, the patent discloses "technique[s] for strongly authenticating the owner of [a] payment instrument[]" and "a process by which owners of payment instruments [] have control over the usage of their payment instruments by giving them the ability selectively to block and unblock their payment instruments." *See, e.g., id.* at 3:8-21. The techniques for selectively blocking and unblocking payment instruments disclosed by the '382 patent were not routine or conventional at the time of their invention.

21. The '078 patent is titled "Method and system for the effecting payments by means of a mobile station." The inventions claimed in the '078 patent generally relate to a new and novel user interfaces and methods for effecting mobile payments.

22. The '078 patent lawfully issued on September 12, 2006.

23. The named inventor of the '078 patent is Mariette Lehto.

24. Each claim in the '078 patent is presumed valid.

25. Each claim in the '078 patent is directed to patent eligible subject matter under 35U.S.C. § 101.

26. The specification of the '078 patent discloses shortcomings in the prior art and then explains, in detail, the technical way the inventions claimed by the '078 patent resolve or overcome those shortcomings. The '078 patent recognized that the burgeoning mobile payment systems did not allow for a convenient "way to select the method of payment for a particular situation that has arisen based on current circumstances or the user's wishes." *See, e.g.*, '078 patent, 1:36-47. The

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'078 patent "makes it possible to offer the user a variety of user-selectable alternatives, suitable for the particular purchase, for making a payment." *Id.* at 3:12-15. The '078 patent overcame this shortcoming by providing a secure interface for a user to select a preferred payment method. Additionally, the '078 patent recognized the benefits of using a network application to store user-specific information relating to payments, such as credit card numbers and encryption data. *Id.* at 3:21-25. Among other things, this solution provides the user with the ability to select a secure payment method, while avoiding the risks associated with storing payment information on a mobile terminal. The techniques for securely storing and presenting payment information disclosed by the '078 patent were not routine or conventional at the time of their invention.

27. The '792 patent is titled "Apparatus and method for increased security of wireless transactions." The inventions claimed in the '792 patent generally relate to a new and novel approach to wireless payment systems.

28. The '792 patent lawfully issued on September 19, 2006.

29. The named inventor of the '792 patent is Einar Rosenberg.

30. Each claim in the '792 patent is presumed valid.

31. Each claim in the '792 patent is directed to patent eligible subject matter under 35U.S.C. § 101.

32. The specification of the '792 patent discloses shortcomings in the prior art and then explains, in detail, the technical way the inventions claimed by the '792 patent resolve or overcome those shortcomings. The specification of the '792 patent recognized the need to secure communications in contactless payment systems. *See, e.g.*, '792 patent at 3:29-42. In particular, the '792 patent recognized that prior art contactless payment systems could be used by anyone in possession of a smartcard or other device with a smart chip, even though the possessor might not

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be the owner. *Id.* The '792 patent addresses this shortcoming by disclosing and claiming new methods and apparatus for securing such devices (and wireless/contactless payments made using such devices), including (for example) new systems and methods whereby a "smartcard chip" transaction is authenticated using a mobile device. *See, e.g., id.* at 3:45-4:60. The techniques for securing contactless payment devices and payments disclosed by the '792 patent were not routine or conventional at the time of their invention.

33. The '841 patent is titled "Centralized authorization and fraud-prevention system for network-based transactions." The inventions disclosed and claimed by the '841 patent relate to new and novel approach to credit card authorization in internet transactions. And more particularly, the inventions relate to a novel approach to verifying the identity of the cardholder through a remote verification system.

34. The '841 patent lawfully issued on November 14, 2006.

35. The named inventor of the '841 patent is David Cook.

36. Each claim in the '841 patent is presumed valid.

37. Each claim in the '841 patent is directed to patent eligible subject matter under 35U.S.C. § 101.

38. The specification of the '841 patent discloses shortcomings in the prior art and then explains, in detail, the technical way the inventions claimed by the '841 patent resolve or overcome those shortcomings. The '841 recognized shortcomings in systems and methods for authorizing transactions and preventing fraud in network-based transactions (e.g., credit card transactions arising from online purchases made over the Internet). *See, e.g.*, '841 patent, 1:21-33, 3:6-16. The disclosed and claimed systems and methods allow card/account holders to verify their right to use a card in an online transaction through the use of a form (e.g., a webpage) maintained by and

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presented to the cardholder by an authorization system (as opposed to a merchant with whom a transaction is being conducted) and through which the cardholder submits authentication information. *See, e.g., id* at 1:37-2:50. Upon cardholder verification by the authorization system using the authentication information, the cardholder is transferred back to a site maintained by the merchant to complete the transaction. By separating the verification system from the merchant system and implementing the use of secure authentication information (e.g., a signature phrase) known only to the cardholder and verification system, the '841 patent increases security by limiting who has access to the authentication phrase, while also relieving the merchant from having to deploy a robust verification system. The techniques for securing network-based transactions disclosed by the '841 patent were not routine or conventional at the time of their invention.

<u>COUNT I</u> (Infringement of U.S. Patent No. 6,917,902)

39. Plaintiff incorporates paragraphs 1 through 38 herein by reference.

40. This cause of action arises under the patent laws of the United States, and in particular, 35 U.S.C. §§ 271, *et seq*.

41. Plaintiff is the owner of the '902 patent with all substantial rights to the '902 patent including the exclusive right to enforce, sue, and recover damages for past and future infringement.

42. The '902 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

DIRECT INFRINGEMENT (35 U.S.C. §271(a))

43. Defendant has infringed one or more claims of the '902 patent in this judicial district and elsewhere in Illinois and the United States.

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44. On information and belief, Defendant has either by itself or via an agent, infringed at least claim 1 of the '902 patent by, among other things, performing the method of claim 1 via at least its facilitating biometric login through its mobile applications ("the '902 Accused Services").

45. Attached hereto as Exhibit A, and incorporated herein by reference, is a claim chart detailing how the '902 Accused Services infringe the '902 patent.

46. Defendant is liable for these infringements of the '902 patent pursuant to 35 U.S.C.§ 271.

47. Plaintiff has been damaged as a result of Defendant's infringing conduct described in this Count. Defendant is, thus, liable to Plaintiff in an amount that adequately compensates Plaintiff for Defendant's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

48. Plaintiff has complied with the requirements of 35 U.S.C. § 287 and is entitled to collect pre- and post-filing damages for Defendant's infringements of the '902 patent.

WILLFUL INFRINGEMENT

49. Prior to the filing of this action Defendant was aware of the '902 patent.

50. Plaintiff sent Defendant a claim chart, like the one attached hereto as Exhibit A, detailing Defendant's infringement of the '902 patent in July 2020.

51. Defendant has been, or should have been, aware of its infringement of the '902 patent since at least its receipt and review of the July 2020 communication.

52. On information and belief, despite being aware of the '902 patent and its infringement of the '902 patent, Defendant has not changed or otherwise altered the '902 Accused Services or its practices in an effort to avoid infringing the '902 patent. Rather, despite having

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notice of the '902 patent, Defendant has, and continues to, infringe the '902 patent, directly and/or indirectly, in disregard to Plaintiff's patent rights.

53. Defendant has acted recklessly and/or egregiously, and continues to willfully, wantonly, and deliberately engage in acts of infringement of the '902 patent, justifying a finding of willful infringement and an award to Plaintiff of increased damages under 35 U.S.C. § 284, and attorneys' fees and costs incurred under 35 U.S.C. § 285.

<u>COUNT II</u> (Infringement of U.S. Patent No. 6,931,382)

54. Plaintiff incorporates paragraphs 1 through 53 herein by reference.

55. This cause of action arises under the patent laws of the United States, and in particular, 35 U.S.C. §§ 271, *et seq*.

56. Plaintiff is the owner of the '382 patent with all substantial rights to the '382 patent including the exclusive right to enforce, sue, and recover damages for past and future infringement.

57. The '382 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

DIRECT INFRINGEMENT (35 U.S.C. §271(a))

58. Defendant has infringed one or more claims of the '382 patent in this judicial district and elsewhere in Illinois and the United States.

59. On information and belief, Defendant has either by itself or via an agent, infringed at least claim 6 of the '382 patent by, among other things, performing the method of claim 6 via at least its testing and implementation of its "Freeze it" service ("the '382 Accused Services").

60. Attached hereto as Exhibit B, and incorporated herein by reference, is a claim chart detailing how the '382 Accused Services infringe the '382 patent.

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61. To the extent Defendant contends that the step of claim 6 that recites "communicating by the authorized instrument holder, prior to a transaction or multiple transactions, with an authentication function to subject the authorized instrument holder to authentication and to request that the payment instrument be unblocked for future payment authorizations" (or some other step of the asserted claims) is performed by Defendant's customers or end users of, Plaintiff contends that Defendant is responsible for such performance; Defendant directs and controls such performance because Defendant conditions a benefit to its customers and end users (e.g., the ability to prevent unauthorized use of Discover credit or debit cards) based on its customers' and end users' performance of steps that were established by Defendant (e.g., the series of steps required by Defendant's websites and/or apps for customers/end users to log in to a Discover website or app and unblock an Discover card), and which Defendant does not allow its customers and end users to alter.

62. Defendant is liable for these infringements of the '382 patent pursuant to 35 U.S.C.§ 271.

63. Plaintiff has been damaged as a result of Defendant's infringing conduct described in this Count. Defendant is, thus, liable to Plaintiff in an amount that adequately compensates Plaintiff for Defendant's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

64. Plaintiff has complied with the requirements of 35 U.S.C. § 287 and is entitled to collect pre- and post-filing damages for Defendant's infringements of the '382 patent.

WILLFUL INFRINGEMENT

65. Prior to the filing of this action Defendant was aware of the '382 patent.

66. Plaintiff sent Defendant a claim chart, like the one attached hereto as Exhibit B, detailing Defendant's infringement of the '382 patent in July 2020.

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67. Defendant has been, or should have been, aware of its infringement of the '382 patent since at least its receipt and review of the July 2020 communication.

68. On information and belief, despite being aware of the '382 patent and its infringement of the '382 patent, Defendant has not changed or otherwise altered the '382 Accused Services or its practices in an effort to avoid infringing the '382 patent. Rather, despite having notice of the '382 patent, Defendant has, and continues to, infringe the '382 patent in disregard to Plaintiff's patent rights.

69. Defendant has acted recklessly and/or egregiously, and continues to willfully, wantonly, and deliberately engage in acts of infringement of the '382 patent, justifying a finding of willful infringement and an award to Plaintiff of increased damages under 35 U.S.C. § 284, and attorneys' fees and costs incurred under 35 U.S.C. § 285.

<u>COUNT III</u> (Infringement of U.S. Patent No. 7,107,078)

70. Plaintiff incorporates paragraphs 1 through 69 herein by reference.

71. This cause of action arises under the patent laws of the United States, and in particular, 35 U.S.C. §§ 271, *et seq*.

72. Plaintiff is the owner of the '078 patent with all substantial rights to the '078 patent including the exclusive right to enforce, sue, and recover damages for past and future infringement.

73. The '078 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

DIRECT INFRINGEMENT (35 U.S.C. §271(a))

74. Defendant has infringed one or more claims of the '078 patent in this judicial district and elsewhere in Illinois and the United States.

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75. On information and belief, Defendant has either by itself or via an agent, infringed at least claim 6 of the '078 patent by, among other things, making and using, including via at least its testing of, systems that support payment functionality for the Discover Mobile App ("the '078 Accused Systems").

76. Attached hereto as Exhibit C, and incorporated herein by reference, is a claim chart detailing how the '078 Accused Systems infringe the '078 patent.

77. Defendant is liable for these infringements of the '078 patent pursuant to 35 U.S.C. § 271.

INDIRECT INFRINGEMENT (INDUCEMENT - 35 U.S.C. §271(b))

78. Based on the information presently available to Plaintiff, absent discovery, and in the alternative to direct infringement, Plaintiff contends that Defendant has indirectly infringed one or more claims of the '078 patent by inducing direct infringement by end users of the '078 Accused Systems.

79. Defendant had knowledge of the '078 patent since at least as August 2020, when Defendant was notified via mail of the '078 patent and its infringement of the '078 patent. Specifically, in August 2020, Plaintiff's counsel sent Defendant a detailed claim chart, like the one attached hereto as Exhibit C, detailing Defendant's infringement of the '078 patent.

80. On information and belief, despite having knowledge of the '078 patent, Defendant specifically intended for persons who use the '078 Accused Systems, including Defendant's customers and end consumers, to make and use such systems in a way that infringes the '078 patent, including at least claim 6, and Defendant knew or should have known that its actions were inducing infringement.

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81. Defendant instructs and encourages users to make and use the '078 Accused Systems in a manner that infringes the '078 patent. For example, Defendant's website includes advertising and instructions encouraging customers to use the '078 Accused Systems, including, for example, https://www.discover.com/credit-cards/help-center/faqs/payments.html.

82. Plaintiff has been damaged as a result of Defendant's infringing conduct described in this Count. Defendant is, thus, liable to Plaintiff in an amount that adequately compensates Plaintiff for Defendant's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

83. Plaintiff has complied with the requirements of 35 U.S.C. § 287 and is entitled to collect pre- and post-filing damages for Defendant's infringements of the '078 patent.

WILLFUL INFRINGEMENT

84. Prior to the filing of this action Defendant was aware of the '078 patent

85. As detailed above, Defendant received correspondence from Plaintiff. Included in Plaintiff's correspondence were claim charts detailing Defendant's infringement of the '078 patent.

86. Defendant has been, or should have been, aware of its infringement of the '078 patent since at least its receipt and review of the August 2020 communication.

87. On information and belief, despite being aware of the '078 patent and its infringement of the '078 patent, Defendant has not changed or otherwise altered its products in an effort to avoid infringing the '078 patent. Rather, despite having notice of the '078 patent, Defendant continues to infringe the '078 patent, directly and/or indirectly, in deliberate disregard to Plaintiff's patent rights.

88. Defendant has acted recklessly and/or egregiously, and continues to willfully, wantonly, and deliberately engage in acts of infringement of the '078 patent, justifying a finding

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of willful infringement and an award to Plaintiff of increased damages under 35 U.S.C. § 284, and attorneys' fees and costs incurred under 35 U.S.C. § 285

<u>COUNT IV</u> (Infringement of U.S. Patent No. 7,110,792)

89. Plaintiff incorporates paragraphs 1 through 88 herein by reference.

90. This cause of action arises under the patent laws of the United States, and in particular, 35 U.S.C. §§ 271, *et seq*.

91. Plaintiff is the owner of the '792 patent with all substantial rights to the '792 patent including the exclusive right to enforce, sue, and recover damages for past and future infringement.

92. The '792 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

DIRECT INFRINGEMENT (35 U.S.C. §271(a))

93. Defendant has infringed one or more claims of the '792 patent in this judicial district and elsewhere in Illinois and the United States.

94. On information and belief, Defendant has either by itself or via an agent, infringed at least claim 8 of the '792 patent by, among other things, providing the apparatus of claim 8 via at least its testing of its payment cards in a digital wallet ("the '792 Accused Products").

95. Attached hereto as Exhibit D, and incorporated herein by reference, is a claim chart detailing how the '792 Accused Products infringe the '792 patent.

96. Defendant is liable for these infringements of the '792 patent pursuant to 35 U.S.C.§ 271.

INDIRECT INFRINGEMENT (INDUCEMENT - 35 U.S.C. §271(b))

97. Based on the information presently available to Plaintiff, absent discovery, and in the alternative to direct infringement, Plaintiff contends that Defendant has, and continues to,

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indirectly infringed one or more claims of the '792 patent by inducing direct infringement by end users of the '792 Accused Products.

98. Defendant has had knowledge of the '792 patent since at least as July 2020, when Defendant was notified via mail of the '792 patent and its infringement of the '792 patent. Specifically, in July 2020, Plaintiff's counsel sent Defendant a detailed claim chart, like the one attached hereto as Exhibit D, detailing Defendant's infringement of the '792 patent.

99. On information and belief, despite having knowledge of the '792 patent, Defendant specifically intended for persons who use the '792 Accused Products, including Defendant's customers and end consumers, to do so in a way that infringes the '792 patent, including at least claim 1, and Defendant knew or should have known that its actions were inducing infringement.

100. Defendant instructs and encourages users to use the '792 Accused Products in a manner that infringes the '792 patent. For example, Defendant's website includes advertising and instructions encouraging customers to use the '792 Accused Products via a digital wallet, including, for example, https://www.discover.com/credit-cards/digital-wallets/.

101. Furthermore, Defendant has not provided any information or indication that it has implemented a design around or otherwise taken any remedial action with respect to the '792 patent. In accordance with Fed. R. Civ. P. 11(b)(3), Plaintiff will likely have additional evidentiary support after a reasonable opportunity for discovery on this issue.

102. Plaintiff has been damaged as a result of Defendant's infringing conduct described in this Count. Defendant is, thus, liable to Plaintiff in an amount that adequately compensates Plaintiff for Defendant's infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

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103. Plaintiff has complied with the requirements of 35 U.S.C. § 287 and is entitled to collect pre- and post-filing damages for Defendant's infringements of the '792 patent.

WILLFUL INFRINGEMENT

104. Prior to the filing of this action Defendant was aware of the '792 patent.

105. As detailed above, Plaintiff sent Defendant a claim chart, like the one attached hereto as Exhibit D, detailing Defendant's infringement of the '792 patent.

106. Defendant has been, or should have been, aware of its infringement of the '792 patent since at least its receipt and review of the July 2020 communication.

107. On information and belief, despite being aware of the '792 patent and its infringement of the '792 patent, Defendant has not changed or otherwise altered the '792 Accused Products or its practices in an effort to avoid infringing the '792 patent. Rather, despite having notice of the '792 patent, Defendant continues to infringe the '792 patent, directly and/or indirectly, in deliberate disregard to Plaintiff's patent rights.

108. Defendant has acted recklessly and/or egregiously, and continues to willfully, wantonly, and deliberately engage in acts of infringement of the '792 patent, justifying a finding of willful infringement and an award to Plaintiff of increased damages under 35 U.S.C. § 284, and attorneys' fees and costs incurred under 35 U.S.C. § 285.

<u>COUNT V</u> (Infringement of U.S. Patent No. 7,136,841)

109. Plaintiff incorporates paragraphs 1 through 108 herein by reference.

110. This cause of action arises under the patent laws of the United States, and in particular, 35 U.S.C. §§ 271, *et seq*.

111. Plaintiff is the owner of the '841 patent with all substantial rights to the '841 patent including the exclusive right to enforce, sue, and recover damages for past and future infringement.

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112. The '841 patent is valid, enforceable and was duly issued in full compliance with Title 35 of the United States Code.

DIRECT INFRINGEMENT (35 U.S.C. §271(a))

113. Defendant has infringed one or more claims of the '841 patent in this judicial district and elsewhere in Illinois and the United States.

114. On information and belief, Defendant has either by itself or via an agent, infringed at least claim 20 of the '841 patent by, among other things, performing the method of claim 20 via at least its testing and implementation of its ProtectBuy service ("the '841 Accused Services").

115. Attached hereto as Exhibit E, and incorporated herein by reference, is a claim chart detailing how the '841 Accused Services infringe the '841 patent.

116. Defendant is liable for these infringements of the '841 patent pursuant to 35 U.S.C.§ 271.

117. Plaintiff has complied with the requirements of 35 U.S.C. § 287 and is entitled to collect pre- and post-filing damages for Defendant's infringements of the '841 patent.

WILLFUL INFRINGEMENT

118. Defendant has been, or should have been, aware of its infringement of the '841 patent since at least August 2020 when it was served with the original complaint in this matter.

119. On information and belief, despite being aware of the '841 patent and its infringement of the '841 patent, Defendant has not changed or otherwise altered the '841 Accused Services or its practices in an effort to avoid infringing the '841 patent. Rather, despite having notice of the '841 patent, Defendant continues to infringe the '841 patent, directly and/or indirectly, in deliberate disregard to Plaintiff's patent rights.

120. Defendant has acted recklessly and/or egregiously, and continues to willfully, wantonly, and deliberately engage in acts of infringement of the '841 patent, justifying a finding

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of willful infringement and an award to Plaintiff of increased damages under 35 U.S.C. § 284, and attorneys' fees and costs incurred under 35 U.S.C. § 285.

JURY DEMAND

Plaintiff requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

PRAYER FOR RELIEF

Plaintiff asks that the Court find in its favor and against Defendant and that the Court grant

Plaintiff the following relief:

- a. Judgment that one or more claims of the asserted patents have been infringed, either literally and/or under the doctrine of equivalents, by Defendant;
- b. Judgment that one or more claims of the asserted patents have been willfully infringed, either literally and/or under the doctrine of equivalents, by Defendant;
- c. Judgment that Defendant account for and pay to Plaintiff all damages and costs incurred by Plaintiff because of Defendant's infringing activities and other conduct complained of herein, including an accounting for any sales or damages not presented at trial;
- d. Judgment that Defendant account for and pay to Plaintiff a reasonable, ongoing, post judgment royalty because of Defendant's infringing activities, including continuing infringing activities, and other conduct complained of herein;
- e. That Plaintiff be granted pre-judgment and post judgment interest on the damages caused by Defendant's infringing activities and other conduct complained of herein;
- f. Find this case exceptional under the provisions of 35 U.S.C. § 285 and award enhanced damages; and
- g. That Plaintiff be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: October 20, 2020

Respectfully submitted,

DEVLIN LAW FIRM LLC

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CERTIFICATE OF CONFERENCE

I hereby certify that pursuant to Fed. R. Civ. P. 15(a)(2) counsel for Defendant consented to the filing of this amended complaint.

<u>/s/ Jonathan H. Rastegar</u> Jonathan H. Rastegar

CERTIFICATE OF SERVICE

In accordance with LR 5.5, I hereby certify that on October 20, 2020, the foregoing was electronically filed using the Court's CM/ECF system. As such, an electronic copy of this document was served on all counsel of record via the Court's electronic case filing system. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this notice as service of this document by electronic means.

/s/ Neil Benchell Neil Benchell