

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

AML IP, LLC, Plaintiff,)	
)	
)	Civil Action No. 6:21-cv-00036
v.)	
)	
ARTCRAFT ENTERTAINMENT, INC.)	JURY TRIAL DEMANDED
Defendant.)	

PLAINTIFF’S ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

AML IP, LLC (“AML”) files this Original Complaint and demand for jury trial seeking relief from patent infringement of the claims of 7,177,838 (“the ‘838 patent”) (referred to as the “Patent-in-Suit”) by ArtCraft Entertainment, Inc. (“ArtCraft”).

I. THE PARTIES

1. Plaintiff AML is a Texas Limited Liability Company with its principal place of business located in Harris County, Texas.

2. On information and belief, ArtCraft is a corporation existing under the laws of the State of Texas, with a principal place of business located at 815 A Brazos St #313, Austin, TX 78701. On information and belief, ArtCraft sells and offers to sell products and services throughout Texas, including in this judicial district, and introduces products and services that perform infringing methods or processes into the stream of commerce knowing that they would be sold in Texas and this judicial district. ArtCraft may be served through their registered agent Jeffrey T. Coleman, 4216 Gochman Street, Austin, Texas 78723.

II. JURISDICTION AND VENUE

3. This Court has original subject-matter jurisdiction over the entire action pursuant to 28 U.S.C. §§ 1331 and 1338(a) because Plaintiff's claim arises under an Act of Congress relating to patents, namely, 35 U.S.C. § 271.

4. This Court has personal jurisdiction over Defendant because: (i) Defendant is present within or has minimum contacts within the State of Texas and this judicial district; (ii) Defendant has purposefully availed itself of the privileges of conducting business in the State of Texas and in this judicial district; and (iii) Plaintiff's cause of action arises directly from Defendant's business contacts and other activities in the State of Texas and in this judicial district.

5. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and 1400(b). Defendant has committed acts of infringement and has a regular and established place of business in this District. Further, venue is proper because Defendant conducts substantial business in this forum, directly or through intermediaries, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct and/or deriving substantial revenue from goods and services provided to individuals in Texas and this District.

III. INFRINGEMENT

A. Infringement of the '838 Patent

6. On February 13, 2007, U.S. Patent No. 7,177,838 ("the '838 patent", attached as Exhibit A) entitled "Method and Apparatus for Conducting Electronic Commerce Transactions Using Electronic Tokens" was duly and legally issued by the U.S. Patent and Trademark Office. AML IP, LLC owns the '838 patent by assignment.

7. The '838 patent relates to a novel and improved methods and apparatuses for conducting electronic commerce.

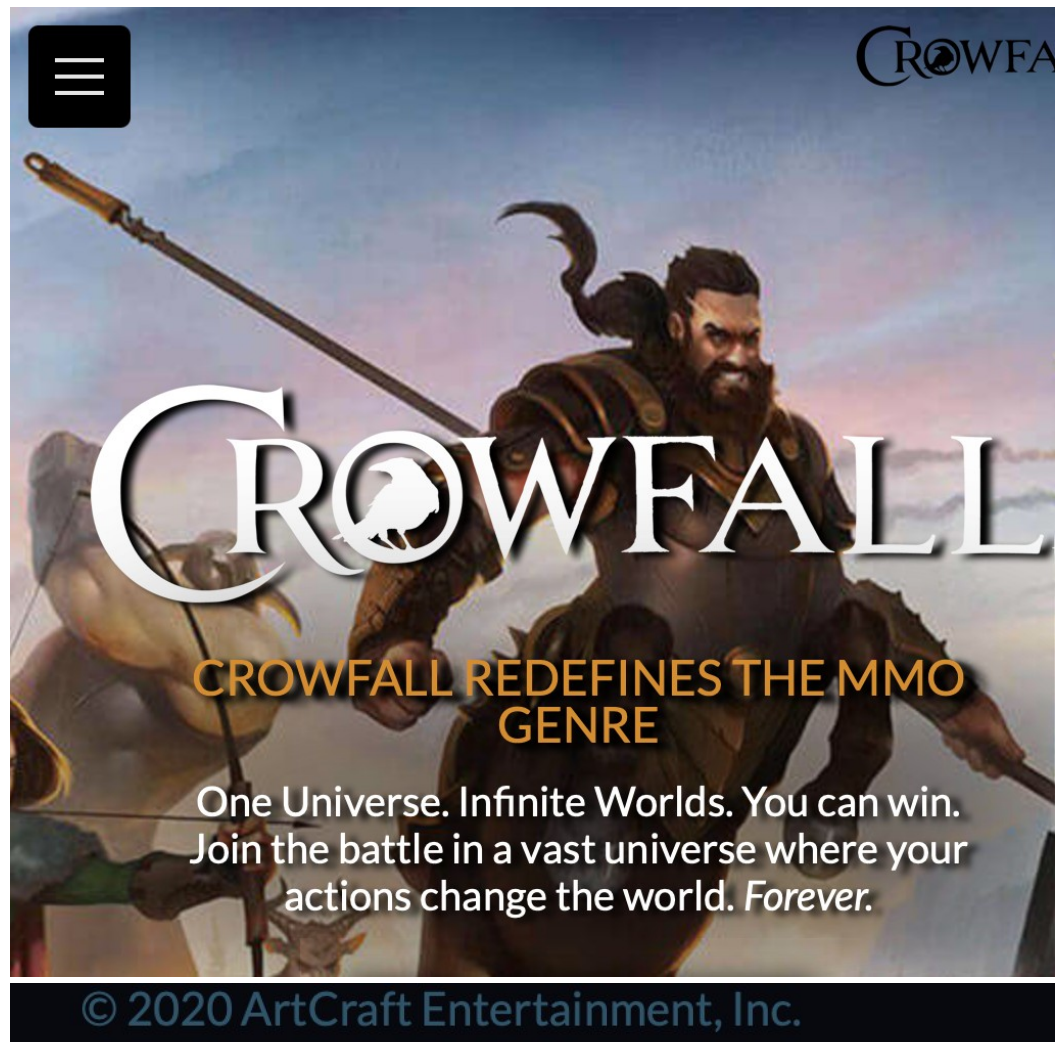
8. ArtCraft maintains, operates, and administers micropayment products and services that facilitate purchases from a vendor at micropayment levels, wherein prices for the products and services are listed in units of electronic tokens that infringes one or more claims of the '838 patent, including one or more of claims 1-28, literally or under the doctrine of equivalents. Defendant put the inventions claimed by the '838 Patent into service (i.e., used them); but for Defendant's actions, the claimed-inventions embodiments involving Defendant's products and services would never have been put into service. Defendant's acts complained of herein caused those claimed-invention embodiments as a whole to perform, and Defendant's procurement of monetary and commercial benefit from it.

9. Support for the allegations of infringement may be found in the following preliminary table:

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A method of conducting electronic commerce over the Internet using micropayments, the method comprising:



<https://crowfall.com/en-US/>

ArtCraft Entertainment has a method of conducting electronic commerce over the Internet using micropayments.

The reference includes subject matter disclosed by the claims of the patent after the priority date.

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opening a user account with a vendor for a user;

5.1. Account: To access certain aspects of the Service, you must have an account. You can create an account by completing the registration process. You may be required to provide information about yourself as part of the registration process or for your continued use of the Service. You agree that any registration information that you submit to ArtCraft will be correct, accurate and up-to-date.

[<https://crowfall.com/en-US/artcraft/terms-and-conditions/>](https://crowfall.com/en-US/artcraft/terms-and-conditions/)

The reference describes [opening a user account with a vendor for a user](#).

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issuing one or more electronic tokens from the vendor to the user account, wherein no physical manifestation, other than a database entry, of the user account occurs, each electronic token having a value of at least a fraction of a dollar;

8.1. So long as you have an active account through the Service, you may participate in ArtCraft's virtual currency system ("Virtual Currency") which can be used to license in-game virtual items, including but not limited to structures, characters, equipment and inventory items and resources ("Virtual Goods") through the Service. Virtual Currency is sold through the Service and the Site, either by purchasing Virtual Currency online through our independent third-party payment provider or other permitted forms of payment, which may be modified from time to time. ArtCraft has the right to, and may, limit the amount of Virtual Currency you can purchase, transfer or gift to other users, "spend" or that you can maintain in your account at any given time. ArtCraft may also provide you with Virtual Currency or Virtual Goods as a part of a promotion or through other means, such as for completing certain quests or achievements through your participation in the Service or ArtCraft-sponsored contests or sweepstakes. You agree that you will be solely responsible for paying any applicable taxes related to the acquisition, use or access of Virtual Currency or Virtual Goods. You are solely responsible for verifying that the correct amount of Virtual Currency has been added to or deducted from your account for each Virtual Currency transaction. Your license to Virtual Goods for use in the Service is a service provided by ArtCraft that commences upon acceptance by ArtCraft of your purchase or redemption of Virtual Currency, and terminates upon the termination of your account for any reason.

[<https://crowfall.com/en-US/artcraft/terms-and-conditions/>](https://crowfall.com/en-US/artcraft/terms-and-conditions/)

The reference describes issuing one or more electronic tokens from the vendor to the user account, wherein no physical manifestation, other than a database entry, of the user account occurs, each electronic token having a value of at least a fraction of a dollar.

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providing products and services that may be purchased from the vendor at micropayment levels, wherein prices for the products and services are listed in units of electronic tokens;

8.1. So long as you have an active account through the Service, you may participate in ArtCraft’s virtual currency system (“Virtual Currency”) which can be used to license in-game virtual items, including but not limited to structures, characters, equipment and inventory items and resources (“Virtual Goods”) through the Service. Virtual Currency is sold through the Service and the Site, either by purchasing Virtual Currency online through our independent third-party payment provider or other permitted forms of payment, which may be modified from time to time. ArtCraft has the right to, and may, limit the amount of Virtual Currency you can purchase, transfer or gift to other users, “spend” or that you can maintain in your account at any given time. ArtCraft may also provide you with Virtual Currency or Virtual Goods as a part of a promotion or through other means, such as for completing certain quests or achievements through your participation in the Service or ArtCraft-sponsored contests or sweepstakes. You agree that you will be solely responsible for paying any applicable taxes related to the acquisition, use or access of Virtual Currency or Virtual Goods. You are solely responsible for verifying that the correct amount of Virtual Currency has been added to or deducted from your account for each Virtual Currency transaction. Your license to Virtual Goods for use in the Service is a service provided by ArtCraft that commences upon acceptance by ArtCraft of your purchase or redemption of Virtual Currency, and terminates upon the termination of your account for any reason.

[<https://crowfall.com/en-US/artcraft/terms-and-conditions/>](https://crowfall.com/en-US/artcraft/terms-and-conditions/)

The reference describes providing products and services that may be purchased from the vendor at micropayment levels, wherein prices for the products and services are listed in units of electronic tokens.

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permitting the user to select, at any participating vendor web site, a subset of the products and services for purchase from the vendor;

8.1. So long as you have an active account through the Service, you may participate in ArtCraft’s virtual currency system (“Virtual Currency”) which can be used to license in-game virtual items, including but not limited to structures, characters, equipment and inventory items and resources (“Virtual Goods”) through the Service. Virtual Currency is sold through the Service and the Site, either by purchasing Virtual Currency online through our independent third-party payment provider or other permitted forms of payment, which may be modified from time to time. ArtCraft has the right to, and may, limit the amount of Virtual Currency you can purchase, transfer or gift to other users, “spend” or that you can maintain in your account at any given time. ArtCraft may also provide you with Virtual Currency or Virtual Goods as a part of a promotion or through other means, such as for completing certain quests or achievements through your participation in the Service or ArtCraft-sponsored contests or sweepstakes. You agree that you will be solely responsible for paying any applicable taxes related to the acquisition, use or access of Virtual Currency or Virtual Goods. You are solely responsible for verifying that the correct amount of Virtual Currency has been added to or deducted from your account for each Virtual Currency transaction. Your license to Virtual Goods for use in the Service is a service provided by ArtCraft that commences upon acceptance by ArtCraft of your purchase or redemption of Virtual Currency, and terminates upon the termination of your account for any reason.

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	<p>The reference describes permitting the user to select, at any participating vendor web site, a subset of the products and services.</p>
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computing at the participating vendor web site a total price for the selected subset of the products and services in units of electronic tokens;

8.1. So long as you have an active account through the Service, you may participate in ArtCraft's virtual currency system ("Virtual Currency") which can be used to license in-game virtual items, including but not limited to structures, characters, equipment and inventory items and resources ("Virtual Goods") through the Service. Virtual Currency is sold through the Service and the Site, either by purchasing Virtual Currency online through our independent third-party payment provider or other permitted forms of payment, which may be modified from time to time. ArtCraft has the right to, and may, limit the amount of Virtual Currency you can purchase, transfer or gift to other users, "spend" or that you can maintain in your account at any given time. ArtCraft may also provide you with Virtual Currency or Virtual Goods as a part of a promotion or through other means, such as for completing certain quests or achievements through your participation in the Service or ArtCraft-sponsored contests or sweepstakes. You agree that you will be solely responsible for paying any applicable taxes related to the acquisition, use or access of Virtual Currency or Virtual Goods. You are solely responsible for verifying that the correct amount of Virtual Currency has been added to or deducted from your account for each Virtual Currency transaction. Your license to Virtual Goods for use in the Service is a service provided by ArtCraft that commences upon acceptance by ArtCraft of your purchase or redemption of Virtual Currency, and terminates upon the termination of your account for any reason.

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The reference describes computing at the participating vendor web site a total price for the selected subset of the products and services in units of electronic tokens.

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authorizing a purchase transaction at the participating vendor web site without requiring any third party authentication and a physical manifestation of the user account; and

8.1. So long as you have an active account through the Service, you may participate in ArtCraft’s virtual currency system (“Virtual Currency”) which can be used to license in-game virtual items, including but not limited to structures, characters, equipment and inventory items and resources (“Virtual Goods”) through the Service. Virtual Currency is sold through the Service and the Site, either by purchasing Virtual Currency online through our independent third-party payment provider or other permitted forms of payment, which may be modified from time to time. ArtCraft has the right to, and may, limit the amount of Virtual Currency you can purchase, transfer or gift to other users, “spend” or that you can maintain in your account at any given time. ArtCraft may also provide you with Virtual Currency or Virtual Goods as a part of a promotion or through other means, such as for completing certain quests or achievements through your participation in the Service or ArtCraft-sponsored contests or sweepstakes. You agree that you will be solely responsible for paying any applicable taxes related to the acquisition, use or access of Virtual Currency or Virtual Goods. You are solely responsible for verifying that the correct amount of Virtual Currency has been added to or deducted from your account for each Virtual Currency transaction. Your license to Virtual Goods for use in the Service is a service provided by ArtCraft that commences upon acceptance by ArtCraft of your purchase or redemption of Virtual Currency, and terminates upon the termination of your account for any reason.

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The reference describes authorizing a purchase transaction at the participating vendor web site without requiring any third party authentication and a physical manifestation of the user account.

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if the user account contains electronic tokens having a value equal to or greater than the total price, permitting the user to purchase the selected subset of the products and services without requiring the user to disclose personal information to the vendor, and subtracting the total price from the user account, wherein the purchase transaction is not subject to a minimum processing fee.

8.1. So long as you have an active account through the Service, you may participate in ArtCraft’s virtual currency system (“Virtual Currency”) which can be used to license in-game virtual items, including but not limited to structures, characters, equipment and inventory items and resources (“Virtual Goods”) through the Service. Virtual Currency is sold through the Service and the Site, either by purchasing Virtual Currency online through our independent third-party payment provider or other permitted forms of payment, which may be modified from time to time. ArtCraft has the right to, and may, limit the amount of Virtual Currency you can purchase, transfer or gift to other users, “spend” or that you can maintain in your account at any given time. ArtCraft may also provide you with Virtual Currency or Virtual Goods as a part of a promotion or through other means, such as for completing certain quests or achievements through your participation in the Service or ArtCraft-sponsored contests or sweepstakes. You agree that you will be solely responsible for paying any applicable taxes related to the acquisition, use or access of Virtual Currency or Virtual Goods. You are solely responsible for verifying that the correct amount of Virtual Currency has been added to or deducted from your account for each Virtual Currency transaction. Your license to Virtual Goods for use in the Service is a service provided by ArtCraft that commences upon acceptance by ArtCraft of your purchase or redemption of Virtual Currency, and terminates upon the termination of your account for any reason.

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	The reference describes if the user account contains electronic tokens having a value equal to or greater than the total price, permitting the user to purchase the selected subset of the products and services without requiring the user to disclose personal information to the vendor, and subtracting the total price from the user account, wherein the purchase transaction is not subject to a minimum processing fee.
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These allegations of infringement are preliminary and are therefore subject to change.

10. ArtCraft has and continues to induce infringement. ArtCraft has actively encouraged or instructed others (e.g., its customers and/or the customers of its related companies), and continues to do so, on how to use its products and services (e.g., micropayment products and services that facilitate purchases from a vendor at micropayment levels, wherein prices for the products and services are listed in units of electronic tokens) such as to cause infringement of one or more of claims 1–28 of the ‘838 patent, literally or under the doctrine of equivalents. Moreover, ArtCraft has known of the ‘838 patent and the technology underlying it from at least the date of issuance of the patent.
11. ArtCraft has and continues to contributorily infringe. ArtCraft has actively encouraged or instructed others (e.g., its customers and/or the customers of its related companies), and continues to do so, on how to use its products and services (e.g., micropayment products and services that facilitate purchases from a vendor at micropayment levels, wherein prices for the products and services are listed in units of electronic tokens) and related services such as to cause infringement of one or more of claims 1–28 of the ‘838 patent, literally or under the doctrine of equivalents. Moreover, ArtCraft has known of the ‘838 patent and the technology underlying it from at least the date of issuance of the patent.

12. ArtCraft has caused and will continue to cause AML damage by direct and indirect infringement of (including inducing infringement of) the claims of the '838 patent.

IV. JURY DEMAND

AML hereby requests a trial by jury on issues so triable by right.

V. PRAYER FOR RELIEF

WHEREFORE, AML prays for relief as follows:

- a. enter judgment that Defendant has infringed the claims of the '838 patent through ArtCraft payment links;
- b. award AML damages in an amount sufficient to compensate it for Defendant's infringement of the '838 patent in an amount no less than a reasonable royalty or lost profits, together with pre-judgment and post-judgment interest and costs under 35 U.S.C. § 284;
- c. award AML an accounting for acts of infringement not presented at trial and an award by the Court of additional damage for any such acts of infringement;
- d. declare this case to be "exceptional" under 35 U.S.C. § 285 and award AML its attorneys' fees, expenses, and costs incurred in this action;
- e. declare Defendant's infringement to be willful and treble the damages, including attorneys' fees, expenses, and costs incurred in this action and an increase in the damage award pursuant to 35 U.S.C. § 284;
- f. a decree addressing future infringement that either (i) awards a permanent injunction enjoining Defendant and its agents, servants, employees, affiliates, divisions, and subsidiaries, and those in association with Defendant from infringing the claims of the

Patents-in-Suit, or (ii) awards damages for future infringement in lieu of an injunction in an amount consistent with the fact that for future infringement the Defendant will be an adjudicated infringer of a valid patent, and trebles that amount in view of the fact that the future infringement will be willful as a matter of law; and

- g. award AML such other and further relief as this Court deems just and proper.

Respectfully submitted,

Ramey & Schwaller, LLP



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