

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

AML IP, LLC, Plaintiff,)	
)	
)	Civil Action No. _____
v.)	
)	
COINBASE GLOBAL, INC. and COINBASE, INC. Defendant.)	JURY TRIAL DEMANDED
)	
)	

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 U.S. Patent No. 6,876,979 (“the ‘979 patent”) (referred to as the “Patent-in-Suit”) by Coinbase Global, Inc and Coinbase, Inc. (collectively “Coinbase”).

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, Coinbase (both Coinbase Global, Inc. and Coinbase, Inc.) are corporations existing under the laws of the State of Delaware, with a principal place of business located at 548 Market Street, Suite 23008, San Francisco CA 94104. On information and belief, Coinbase sells and offers to sell products and services throughout Delaware, 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 Delaware and this judicial district. Coinbase may be served with process through its registered agent The Corporation Trust Company 1209 Orange St. Wilmington, DE 19801.

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 Delaware and this judicial district; (ii) Defendant has purposefully availed itself of the privileges of conducting business in the State of Delaware 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 Delaware 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 Delaware and this District.

III. INFRINGEMENT

A. Infringement of the '979 Patent

6. On April 5, 2005, U.S. Patent No. 6,876,979 ("the '979 patent", attached as Exhibit A) entitled "Electronic Commerce Bridge System" was duly and legally issued by the U.S. Patent and Trademark Office. AML IP, LLC owns the '979 patent by assignment.

7. The '979 patent relates to a novel and improved methods and apparatuses for conducting electronic commerce.

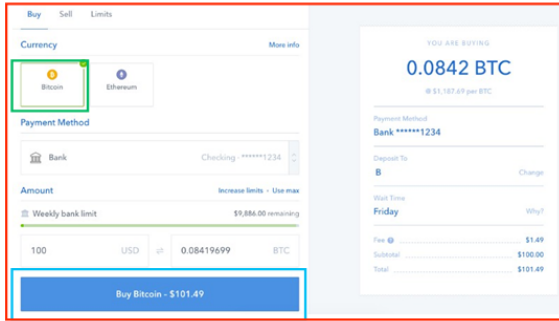
8. Coinbase maintains, operates, and administers payment products and services that facilitate purchases from a vendor using a bridge computer that infringes one or more claims of the '979 patent, including one or more of claims 1-13, literally or under the doctrine of equivalents. Defendant put the inventions claimed by the '979 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:

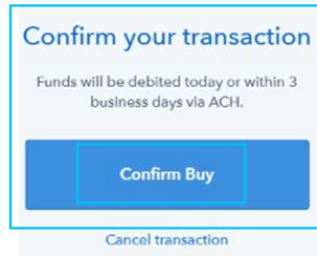
1. A method for using an electronic commerce system having a bridge computer to allow a user at a user device to make a product purchase at a purchase price from a given vendor having a web site provided by a vendor computer over a communications network

Commentary: Coinbase (vendor) provides a method of conducting electronic commerce transaction system using a Coinbase commerce (a bridge computer) which allow users to purchase currency hosted on a Coinbase server (vendor computer) over a communication network.

The complex block contains a screenshot of the Coinbase website and mobile app. The website header features the Coinbase logo and the text "Buy and sell cryptocurrency". Below this, it states "Coinbase is the easiest place to buy, sell, and manage your cryptocurrency portfolio." and provides a source link to https://www.coinbase.com/. The main text describes the service: "Transfer, store and convert digital currency securely on Coinbase using our e-money wallets which support euros, pounds, dollars, and more. Send and receive digital currency and once you sign up, you'll also be able to use Coinbase Card to purchases goods and services through a visa debit card." It includes a source link to a Google Play store page for the Coinbase Android app. A separate text box explains that payments are decentralized and peer-to-peer, and that Coinbase Commerce allows users to be their own bank with all the benefits of a hosted service, including monitoring the blockchain for payments. The mobile app screenshot shows a "Welcome to Coinbase!" screen with a "Get started" button and a "Following" section listing "British Pound" and "Euro" with their respective values.



You will then be directed to confirm your purchase.



Source: <https://www.buybitcoinworldwide.com/exchanges/coinbase/>

For US customers, [Coinbase](#) allows you to add and charge a Visa or MasterCard credit or debit card directly [when buying digital currency](#). BTC purchased via these options will be credited to your account instantly.

Source: <https://help.coinbase.com/en/coinbase/getting-started/adding-a-payment-method/how-do-i-buy-digital-currency-with-a-credit-or-debit-card-in-the-us.html>

How Does Coinbase Work?

Coinbase's simple interface aims to make it easy for first-time buyers to purchase bitcoins.

The most popular payment methods for Coinbase customers are buying with a credit card or debit card, and also using a bank transfer.

wherein the vendor is associated with at least one of a plurality of service providers wherein each of the plurality of service providers has a service provider computer, and wherein the user has a user account maintained by at least one of the plurality of service providers, the method comprising:

Commentary: Coinbase (vendor) allows user to purchase virtual currencies through a currency server (service provider computer). The vendor has an account with the currency server (service provider computer) and accepts amount in the form of virtual currency from its customer while purchasing a product.

How Does Coinbase Work?

Coinbase's simple interface aims to make it easy for first-time buyers to purchase bitcoins.

The most popular payment methods for Coinbase customers are [buying with a credit card or debit card](#), and also using a bank transfer.

Source: - <https://www.buybitcoinworldwide.com/credit-debit-card/#coinbase-guide>

Coinbase Commerce will validate that the connection to your service is secure before sending your webhook data. For this to work, your server must be correctly configured to support https.

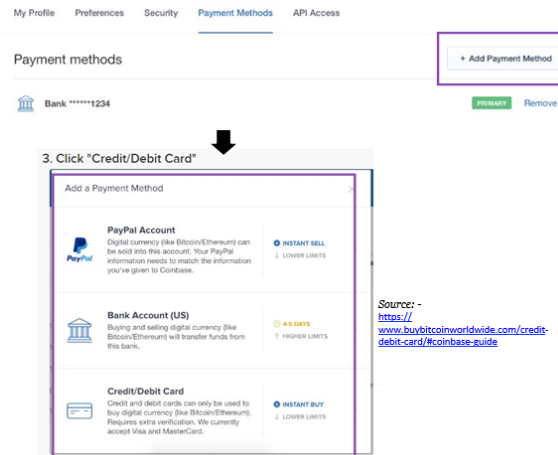
From within the `payment-button` directory, run python's SimpleHTTPServer (this assumes you already have python installed):

```
$ python -m SimpleHTTPServer
```

Source: - <https://commerce.coinbase.com/docs/>

Note: Coinbase no longer supports linking new credit cards, and some card issuers are blocking cryptocurrency purchases with existing credit cards. If you have a credit card linked already, your bank may charge additional fees for Coinbase credit card purchases. We encourage affected customers to switch to a debit card or linked bank account instead.

Source: - <https://help.coinbase.com/en/coinbase/getting-started/adding-a-payment-method/payment-methods-for-us-customers.html>



3. Click "Credit/Debit Card"

Source: - <https://www.buybitcoinworldwide.com/credit-debit-card/#coinbase-guide>

debiting the user's account by the purchase price when the user purchases the product from the given vendor.

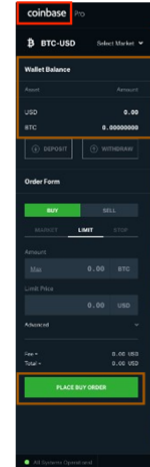
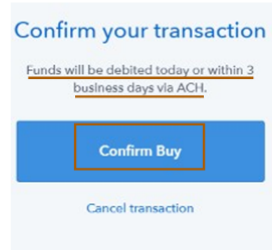
Commentary: User creates an account on Coinbase application. The user's account can also be used as a wallet for purchasing. Thereby, debiting the user account after purchasing the product (bitcoin) from the Coinbase website (vendor).

To buy digital currency:

- Once logged in to the Coinbase app, select the Menu Icon near the top-left.
- Select "Buy".

- Enter the amount of digital currency you would like to purchase.
- Select your card as the "Payment" method.
- Confirm the information entered is correct and select "Buy Digital Currency".

You are now ready to buy digital currency with your credit or debit card on iOS, Android, and the website. Be sure to select the card as the funding method to ensure it will be processed using the card you have added.



Source: <https://pro.coinbase.com/>

Source: <https://help.coinbase.com/en/coinbase/getting-started/adding-a-payment-method/how-do-i-buy-digital-currency-with-a-credit-or-debit-card-in-the-us.html>
 Coinbase, available to users in over 55 countries as of 2020, is the world's largest Bitcoin broker. Customers can buy bitcoin with a connected bank account, debit card, SEPA transfer, Interac Online, and many more payment methods.

Source: <https://www.buybitcoinworldwide.com/exchanges/coinbase/>

determining from among the plurality of service providers, using the bridge computer, whether the given vendor is associated with the same service provider with which the user's account is maintained or is associated with a different service provider; and

Commentary: Id verification process is associated to vendor with same service provider with which user account is maintained. Hence, Coinbase Commerce (bridge system) facilitate payment between user account (authorize at credit card, debit card or PayPal) and vendor account (maintained at virtual currency provider/server) from the coinbase website(given vendor).

Identity verification

ID verification is required to prevent fraud and keep the community safe. It also adds an extra layer of security by ensuring no one but you links your payment information such as your bank account or credit/debit card.

As part of our commitment to remain the most trusted cryptocurrency platform, all IDs must be verified through the Coinbase website or mobile app. We do not accept emailed copies of ID for verification purposes.

Cryptocurrency Payments

Payments today rely on customers populating forms with credit card information. This information is then used to pull payments directly from the customer. Cryptocurrencies are different. Instead, a wallet is used to push payments directly to the merchant. A customer specifies the amount of cryptocurrency along with an address before sending funds. In this way, cryptocurrency payments are push payments.

Source: <https://help.coinbase.com/en/coinbase/getting-started/authentication-and-verification/identity-verification.html>

coinbase Commerce

How this works

- When you want to pay a merchant, we will display instructions on how to send funds directly to this merchant, and monitor the blockchain for your transaction.
- After a valid payment is detected, we will notify the merchant so they can take any necessary actions on their end.

Source: <https://commerce.coinbase.com/faq/what-is-coinbase-commerce-how-does-it-work-where-does-the-cryptocurrency-go>

if the service provider with which the user's account is maintained is the same as the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the user's account at that same service provider and,

Commentary: *If the user has a virtual currency account with existing balance at the virtual currency server with which the vendor is also associated. In that case the credit of the virtual currency happens from the user account to the vendors account.*

Pay Coinbase Commerce merchants directly with your Coinbase account

As of today, customers of Coinbase Commerce merchants are able to pay for goods and services directly out of their Coinbase account. Instead of copying

Source: <https://blog.coinbase.com/pay-coinbase-commerce-merchants-directly-with-your-coinbase-account-d89e07721ea>

Using a bank account is a great way to deposit funds or to purchase assets so that you can trade on Coinbase immediately, especially if you want to buy and sell with higher transaction limits.

You can do one of two things with a bank account.

- Transfer funds from your bank account into your Coinbase fiat wallet
- Use your bank account to purchase cryptocurrency directly

Source: <https://help.coinbase.com/en/coinbase/getting-started/adding-a-payment-method/using-a-bank-account-as-a-payment-method-for-us-customers.html>

When you use a linked bank account to deposit funds to your Coinbase fiat wallet, or use it to purchase cryptocurrency, this type of transaction is not a wire transfer such that Coinbase receives the funds immediately. For security reasons, you will not be able to immediately withdraw or send crypto off of Coinbase.

Source: <https://help.coinbase.com/en/coinbase/getting-started/adding-a-payment-method/using-a-bank-account-as-a-payment-method-for-us-customers.html>

if the service provider with which the user's account is maintained is different from the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the service provider with which the vendor is associated and using the bridge computer to reimburse that service provider with the purchase price using funds from the user's account.

Commentary: *If the user is registered with different from the service provider of the vendor, in such a scenario, the bridge computer i.e., Coinbase Commerce allows for debiting the user account for the purchase price and facilitates the transfer to virtual currency server (service provider with which the vendor is registered) where vendor account is registered.*

Coinbase Buying Tutorial (Credit Card/Debit Card)

Coinbase lets you buy bitcoins instantly with a credit card or debit card. Here are step-by-step instructions to help make the buying process easier for you.

Enter the amount you want to buy, and click "Buy Bitcoin Instantly". Your coins will then be delivered to your Coinbase wallet!

Source: <https://www.buybitcoinworldwide.com/credit-debit-card/#coinbase-guide>

Wallet Service

another. Coinbase incurs and pays network transaction fees, such as miner's fees, for transactions on digital currency networks (i.e., transfers of Digital Currency off the Coinbase platform). For these transactions Coinbase will charge you a fee based on our estimate of the network transaction fees that we anticipate paying for each transaction. In certain circumstances, the fee that Coinbase pays may differ from that estimate. All fees we charge you will be disclosed at the time of your transaction.

Source: <https://help.coinbase.com/en/coinbase/trading-and-funding/pricing-and-fees/fees.html>

Buy Bitcoins!

Go to the buy page and you should see a widget that looks like the image below.

These allegations of infringement are preliminary and are therefore subject to change.

10. Coinbase has and continues to induce infringement. Coinbase 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., payment products and services

that facilitate purchases from a vendor using a bridge computer) such as to cause infringement of one or more of claims 1–13 of the ‘979 patent, literally or under the doctrine of equivalents. Moreover, Coinbase has known or should have known of the ‘979 patent and the technology underlying it from at least the date of issuance of the patent.

11. Coinbase has and continues to contributorily infringe. Coinbase 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., payment products and services that facilitate purchases from a vendor using a bridge computer) and related services such as to cause infringement of one or more of claims 1–13 of the ‘979 patent, literally or under the doctrine of equivalents. Moreover, Coinbase has known or should have known of the ‘979 patent and the technology underlying it from at least the date of issuance of the patent.

12. Coinbase has caused and will continue to cause AML damage by direct and indirect infringement of (including inducing infringement of) the claims of the ‘979 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 ‘979 patent through Coinbase payment links;
- b. award AML damages in an amount sufficient to compensate it for Defendant’s infringement of the ‘979 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.

Dated: February 9, 2021

STAMOULIS & WEINBLATT LLC

/s/Stamatios Stamoulis

Stamatios Stamoulis #4606

stamoulis@swdelaw.com

Richard C. Weinblatt #5080

weinblatt@swdelaw.com

800 N. West Street, 3rd Floor

Wilmington, DE 19801

(302) 999-1540

Ramey & Schwaller, LLP

William P. Ramey, III (pro hac anticipated)

Texas Bar No. 24027643

5020 Montrose Blvd., Suite 800

Houston, Texas 77006

Telephone: (713) 426-3923

Facsimile: (832) 900-4941

wramey@rameyfirm.com

Attorneys for Plaintiff

AML IP LLC