

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW YORK**

AUTHWALLET, LLC)	
Plaintiff,)	
)	Civil Action No. 7:21-cv-03219
v.)	
)	
AMERICAN EXPRESS COMPANY)	JURY TRIAL DEMANDED
Defendant.)	

**PLAINTIFF’S ORIGINAL COMPLAINT FOR PATENT
INFRINGEMENT**

AuthWallet, LLC (“Wallet”) files this Original Complaint and demand for jury trial seeking relief from patent infringement of the claims of U.S. Patent No. 9,292,852 (“the ‘852 patent”) (referred to as the “Patent-in-Suit”) by American Express Company (“AmEx”).

I. THE PARTIES

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

2. On information and belief, AmEx is a corporation existing under the laws of the State of New York, with a principal place of business located at 200 Vesey St., New York, New York 10285. On information and belief, AmEx sells and offers to sell products and services throughout New York, 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 New York and this judicial district. AmEx may be served through its registered agent CT

Corporation Systme, 28 Liberty St., New York, New York 10005 or wherever they may be found.

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, et. seq.

4. This Court has personal jurisdiction over Defendant because: (i) Defendant is present within or has minimum contacts within the State of New York and this judicial district; (ii) Defendant has purposefully availed itself of the privileges of conducting business in the State of New York 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 New York 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 New York and this District.

III. INFRINGEMENT

A. Infringement of the '852 Patent

6. On March 22, 2016, U.S. Patent No. 9,292,852 (“the ‘852 patent”, attached as Exhibit A) entitled “System And Method For Applying Stored Value To A Financial Transaction” was duly and legally issued by the U.S. Patent and Trademark Office. Wallet owns the ‘852 patent by assignment.

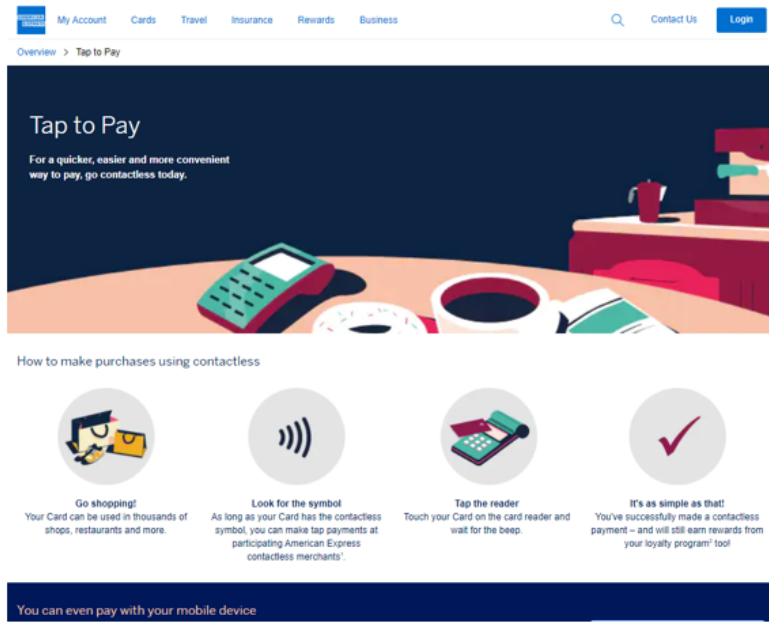
7. The ‘852 patent relates to novel and improved methods and systems for processing financial transaction data.

8. AmEx maintains, operates, and administers online platforms, products and services that facilitate financial transaction data processing that infringes one or more claims of the ‘852 patent, including one or more of claims 1-40, literally or under the doctrine of equivalents. Defendant put the inventions claimed by the ‘852 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 computer-implemented method for processing financial transaction data in a computing system including a processor and a storage area, the method comprising:

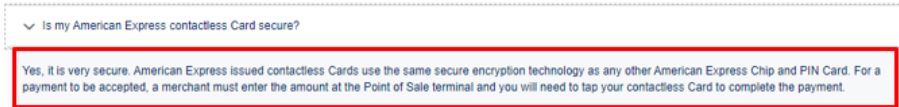
For example, Amex offers mobile payment options and allows for reward redemption for multiple vendors.



<https://www.americanexpress.com/ca/en/customer-service/digital/amex-mobile-app.html#points-for-purchases>

receiving an authorization request generated as a result of a transaction by a purchaser at a point of purchase via an acquirer configured to receive authorization requests from a plurality of points of purchase, wherein the authorization request includes a purchaser identifier and transaction information, the transaction information including a transaction amount, and wherein the purchaser identifier identifies the purchaser that initiated the transaction;

For example, Amex receives pre-authorizations from debit cards or credit cards Using secure encryption technology.



3.7. **How secure is an Amex Pay transaction?**
 Your Card in Amex Pay is protected by your Secure Device Lock (password, pattern, PIN or fingerprint). For your security, when you make a purchase using Amex Pay, you must verify with your chosen Secure Device Lock method. A Device Card Number, separate and unique from your physical Card account number, is used to make a purchases with Amex Pay. All of your payment information will be stored securely on your phone and your physical Card details are never shown in the app or shared with the merchant when you make payments.

<https://www.americanexpress.com/ca/en/customer-service/digital/amex-mobile-app.html#points-for-purchases>

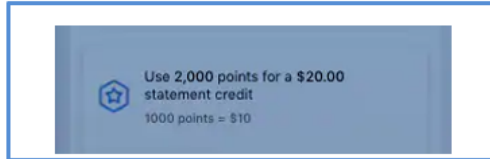
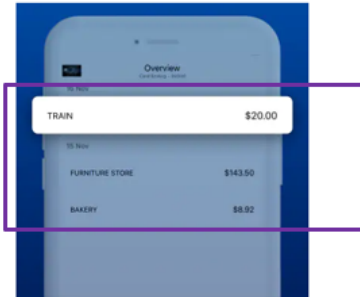
based on the authorization request, determining one or more stored value items to apply to the transaction, wherein each stored value item includes an associated value, wherein the one or more stored value items are selected from a plurality of stored value items stored in the storage area, and wherein the plurality of stored value items includes stored value items provided by a plurality of different third parties;

For example, Amex can add a dollar amount or a discount on any transaction.

Use points for purchases

Using points for purchases is available for eligible Cards. Open the Amex App and log in to get started. Don't have an Online Services account yet? Register [here](#).

1. In the **Overview** tab, tap on an eligible posted transaction.



<https://www.americanexpress.com/ca/en/customer-service/digital/amex-mobile-app.html#points-for-purchases>

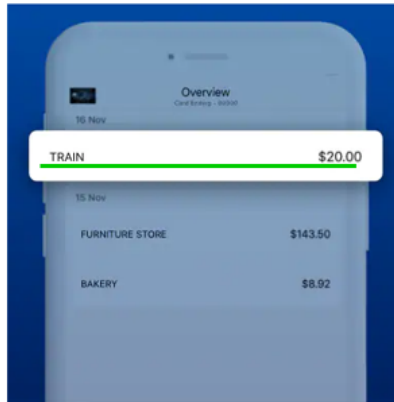
transmitting a transaction indication message to a mobile device associated with the purchaser identifier, wherein the transaction indication message includes information about the determined one or more stored value items;

For example, Amex can send notifications to a purchaser's mobile phone.

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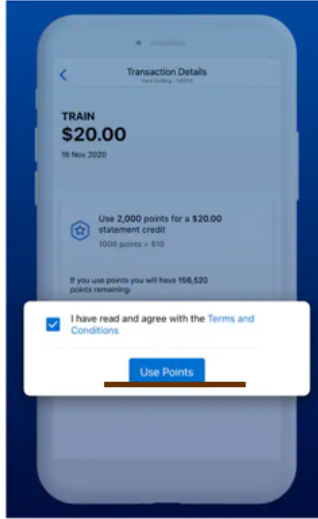


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receiving an indication from a user of the mobile device that at least one stored value item should be applied against the transaction; applying the indicated at least one stored value item to pay a first portion of the transaction amount; and initiating a payment process to pay a remaining portion of the transaction amount by providing a modified transaction amount to the acquirer for submission to a payment association.

For example, purchasers will click and pay with points towards eligible purchases.

3. Once you've reviewed the Terms & Conditions, select the check box confirm and tap **Use Points** to proceed.



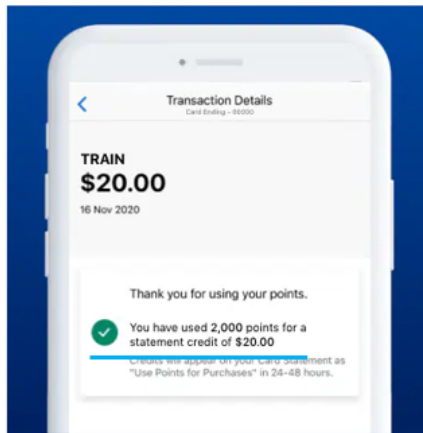
4. A message will appear confirming your points redemption.

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applying the indicated at least one stored value item to pay a first portion of the transaction amount; and initiating a payment process to pay a remaining portion of the transaction amount by providing a modified transaction amount to the acquirer for submission to a payment association.

For example, Amex will pay the transaction amount and will deduct any redemption values after the purchase has completed.

4. A message will appear confirming your points redemption.



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

10. AmEx has and continues to induce infringement. AmEx 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 1–18 of the ‘852 patent, literally or under the doctrine of equivalents. Moreover, AmEx has known or should have known of the ‘852 patent and the technology underlying it from at least the date of issuance of the patent.

11. AmEx has and continues to contributorily infringe. AmEx 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 1–18 of the ‘852 patent, literally or under the doctrine of equivalents. Moreover, AmEx has known or should have known of the ‘852 patent and the technology underlying it from at least the date of issuance of the patent.

12. AmEx has caused and will continue to cause Wallet damage by direct and indirect infringement of (including inducing infringement of) the claims of the ‘852 patent.

IV. JURY DEMAND

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

V. PRAYER FOR RELIEF

WHEREFORE, Wallet prays for relief as follows:

- a. enter judgment that Defendant has infringed the claims of the ‘852 patent through AmEx payment links;

- b. award Wallet damages in an amount sufficient to compensate it for Defendant's infringement of the '852 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 Wallet 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 Wallet 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 Wallet such other and further relief as this Court deems just and proper.

Respectfully submitted,

/s/ David J. Hoffman

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