

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

AUTHWALLET, LLC)	
Plaintiff,)	
)	Civil Action No. 4:21-cv-01203
v.)	
)	
CITIGROUP INC.)	JURY TRIAL DEMANDED
Defendant.)	

**PLAINTIFF’S FIRST AMENDED COMPLAINT FOR PATENT
INFRINGEMENT**

AuthWallet, LLC (“Wallet”) files this First Amended 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 Citibank N.A. (“Citi”). Plaintiff will dismiss Citigroup, Inc. by motion after Citi has accepted service.

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, Citi is a corporation existing under the laws of the State of Delaware. On information and belief, Citi 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.

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 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 '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. Citi 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, Citi offers mobile payment options and allows for reward redemption for multiple vendors.

How it Works




1. Log in

After you make an eligible purchase, log into Citi.com or the Citi Mobile® App, go to Rewards & Benefits, and click Pay With Points.



2. Make selection and get statement credits

Select an eligible purchase, accept the Terms and Conditions, and click Redeem. Your points will be redeemed for a statement credit within 2-3 business days.





3. Get notified


You can set up notifications on the Citi Mobile® App. We'll let you know when you've made a purchase you can cover with a statement credit.* Don't have the app? Download it now.


Remember, you must still make the required minimum payment due on your Citi® credit card account.
*Push notifications are only available for Citi Prestige, Citi Premier, Citi Preferred and Citi Rewards+ cards.


Eligible Categories



Dining



Grocery


Gas


Clothing & Department Stores


Utility


Entertainment


Drugstores

Go to Citi.com to use Pay With Points.

<https://www.thankyou.com/cms/thankyou/pwp.page>

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, Citi receives pre-authorizations from debit cards or credit cards. Pre-authorization will include purchaser identification and transaction amounts.

To redeem your ThankYou points at the pump:

- Swipe your eligible Citi card at a participating gas station.
- Select "yes" when prompted with an offer to redeem your points.
- After pumping, you can check your receipt or go online to see how many points you've used.

As part of Citi's Shop with Points program, ThankYou points can also be redeemed toward purchases made at Amazon and through PayPal.

IF I HAVE AN ENROLLED CITI® CREDIT CARD ACCOUNT, WHAT PURCHASES QUALIFY FOR POINTS?

All new purchases made on your Citi credit card qualify, however, certain transactions do not. Balance transfers, cash advances, convenience checks, returned purchases, disputed or unauthorized/fraudulent transactions, interest charges and card account fees do not earn ThankYou® Points, unless specifically stated otherwise. In addition, some Citi Accounts may include annual point accrual limits. Please see the terms and conditions of your specific Citi Account. Double Cash cards do not earn points on purchases. ThankYou Points are only acquired by Double Cash cardmembers when they convert cash rewards to points.

<https://www.nerdwallet.com/article/credit-cards/citi-redeem-thankyou-points-gas-bp-shell-amoco>

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, Citi can add a dollar amount or a discount on any transaction.



WHAT PURCHASE CATEGORIES ARE ELIGIBLE FOR PAY WITH POINTS?

Eligible purchase categories include dining, clothing and department stores, entertainment, utilities, gas, groceries and drug stores. These purchases must have been made within the current credit card billing cycle.

ThankYou Rewards does not determine how merchants or establishments are classified, however, they are generally classified based on the merchant's primary line of business. ThankYou Rewards reserves the right to determine which purchases qualify for Pay With Points.

ThankYou points are worth 0.8 cents when redeemed this way. Cardholders can redeem them for up to 50 cents off per gallon, for up to 20 gallons, which can get you a maximum savings of \$10.

<https://www.nerdwallet.com/article/credit-cards/citi-redeem-thankyou-points-gas-bp-shell-amoco>

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, Citi can send notifications to a purchaser's mobile phone.



WHAT ARE PAY WITH POINTS NOTIFICATIONS AND HOW DO THEY WORK?

Eligible ThankYou members can opt in to receive notifications when a purchase is eligible for Pay With Points through Citi Alerts. Account alerts can be sent after a qualified purchase (s) , or on a daily or weekly basis. In addition, you will be able to set the minimum dollar amount of a purchase to trigger an Account Alert.

To manage your preferences, go to Account Alerts on Citi.com or the Citi Mobile® App.

<https://www.thankyou.com/cms/thankyou/pwp.page>

<p>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.</p>	<p>For example, purchasers will click and pay with points towards eligible purchases.</p> <div data-bbox="488 373 1289 722" style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p>— HOW DOES PAY WITH POINTS WORK?</p> <p>Log into Citi.com or the Citi Mobile® App, go to Rewards & Benefits, and click Pay With Points where you will see all the eligible purchases. Select a purchase(s), accept the Terms and Conditions and click Redeem. Your points will be redeemed for a statement credit to your eligible Citi credit card within 2-3 business days.</p> <p>Please note that for some merchants the authorized amount and the final transaction amount may be different if the transaction includes an additional cost like gratuity at restaurants. This could result in the statement credit applied through Pay With Points differing from the final transaction amount.</p> </div> <p style="text-align: center;">https://www.thankyou.com/cms/thankyou/pwp.page</p>
--	--

<p>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.</p>	<p>For example, Citi will pay the transaction amount and will deduct any redemption values after the purchase has completed.</p> <div data-bbox="488 1066 1357 1331" style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p>— HOW DOES PAY WITH POINTS WORK FOR DINING OR SERVICE RELATED CATEGORIES?</p> <p>For dining or other service related charges, if the Pay With Points redemption is executed while the transaction is pending, the statement credit applied to the balance will only be for the amount that is pending, which may not include tip. If the transaction has posted, the Pay With Points redemption will be for the final cost of the transaction, including tip.</p> </div> <div data-bbox="488 1352 1300 1696" style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p>— HOW DOES PAY WITH POINTS WORK?</p> <p>Log into Citi.com or the Citi Mobile® App, go to Rewards & Benefits, and click Pay With Points where you will see all the eligible purchases. Select a purchase(s), accept the Terms and Conditions and click Redeem. Your points will be redeemed for a statement credit to your eligible Citi credit card within 2-3 business days.</p> <p>Please note that for some merchants the authorized amount and the final transaction amount may be different if the transaction includes an additional cost like gratuity at restaurants. This could result in the statement credit applied through Pay With Points differing from the final transaction amount.</p> </div> <p style="text-align: center;">https://www.thankyou.com/cms/thankyou/pwp.page</p>
--	--

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

10. Citi has and continues to induce infringement. Citi 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, Citi 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. Citi has and continues to contributorily infringe. Citi 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, Citi 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. Citi 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;

- 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,

Ramey & Schwaller, LLP

A handwritten signature in black ink, appearing to read 'W.P.R.', with a large, sweeping flourish underneath.

William P. Ramey, III
Texas State Bar No. 24027643
Jeffrey E. Kubiak
Texas State Bar No. 24028470
5020 Montrose Blvd., Suite 800
Houston, Texas 77006
(713) 426-3923 (telephone)
(832) 900-4941 (fax)
wramey@rameyfirm.com
jkubiak@rameyfirm.com

Attorneys for AuthWallet, LLC