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16 Attorneys for Plaintiff
RONALD A. KATZ TECHNOLOGY LICENSING, L.P.

17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA
19 WESTERN DIVISION

20 IN RE KATZ INTERACTIVE CALL
21 PROCESSING PATENT
LITIGATION

Case No. 2:07-ML-1816-B-RGK
(FFMx)
Case No. 2:07-CV-2325-RGK
(FFMx)

23 This document relates to:
24 RONALD A. KATZ TECHNOLOGY
LICENSING, L.P.,

**PLAINTIFF'S SECOND
AMENDED COMPLAINT FOR
PATENT INFRINGEMENT**

25 Plaintiff,

DEMAND FOR JURY TRIAL

26 v.

Hon. R. Gary Klausner

27 EARTHLINK, INC.,
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Defendant and
Counter Claimant.

**PLAINTIFF RONALD A. KATZ TECHNOLOGY LICENSING, L.P.’S
SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff, Ronald A. Katz Technology Licensing, L.P. (“Katz Technology Licensing”), by counsel, alleges as follows:

THE PARTIES

1. Plaintiff Katz Technology Licensing is a limited partnership organized under the laws of the State of California, and having a principal place of business at 9220 Sunset Blvd. #315, Los Angeles, California 90069.

2. On information and belief, Defendant Earthlink, Inc. is a corporation organized under the laws of the State of Delaware, and having a principal place of business at 1375 Peachtree St., Atlanta, Georgia 30309.

JURISDICTION AND VENUE

3. This is a civil action for patent infringement arising under the United States patent statutes, 35 U.S.C. § 1 *et seq.*

4. The United States District Court for the Eastern District of Texas (“the Texas Court”) has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

1 inventions over the last forty-plus years have been utilized by literally millions of
2 people.

3
4 8. In 1961, Mr. Katz co-founded Telecredit Inc. (“Telecredit”), the first
5 company to provide online, real-time credit authorization, allowing merchants to
6 verify checks over the telephone. Further innovations from Telecredit include the
7 first online, real-time, point-of-sale credit verification terminal, which enabled
8 merchants to verify checks without requiring the assistance of a live operator, and
9 the first device that used and updated magnetically-encoded cards in automated
10 teller machines. Multiple patents issued from these innovations, including patents
11 co-invented by Mr. Katz.
12

13
14 9. Telecredit was eventually acquired by Equifax, and has now been spun
15 off as Certegy, a public company traded on the New York Stock Exchange.
16 Certegy continues to provide services in the credit and check verification field
17 established by Mr. Katz and Telecredit.
18

19
20 10. Mr. Katz’s inventions have not been limited to telephonic check
21 verification. Indeed, Mr. Katz is responsible for advancements in many fields of
22 technology. Among his most prominent and well-known innovations are those in
23 the field of interactive call processing. Mr. Katz’s inventions in that field are
24 directed to the integration of telephonic systems with computer databases and live
25 operator call centers to provide interactive call processing services.
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1 11. The first of Mr. Katz's interactive call processing patents issued on
2 December 20, 1988. More than fifty U.S. patents have issued to Mr. Katz for his
3 inventions in the interactive call processing field, including each of the patents-in-
4 suit.

5
6 12. In 1988, Mr. Katz partnered with American Express to establish FDR
7 Interactive Technologies, later renamed Call Interactive, to provide interactive call
8 processing services based on Mr. Katz's inventions. The American Express
9 business unit involved in this joint venture later became known as First Data.
10

11
12 13. Early clients of Call Interactive included *The New York Times*, ABC's
13 *Monday Night Football*, KABC Radio, CBS News, and Beatrice Foods (Hunt-
14 Wesson division).
15

16 14. Many of these clients utilized Call Interactive technology for high-
17 profile events. For example, CBS News hired Call Interactive to operate an
18 interactive, real-time telephone poll to gauge viewer reaction to President George
19 H.W. Bush's 1992 State of the Union address.
20

21 15. Mr. Katz sold his interest in Call Interactive to American Express in
22 1989 but continued to provide advisory services to Call Interactive until 1992.
23 American Express later spun off the First Data business unit into a separate
24 corporation, and with that new entity went Mr. Katz's interactive call processing
25 patents and the Call Interactive call processing business. The former Call
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1 Interactive, now known as First Data Voice Services, continues to provide call
2 processing solutions today.

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4 16. In 1994, Mr. Katz formed Katz Technology Licensing, which acquired
5 the rights to the entire interactive call processing patent portfolio, including the
6 rights to each of the patents-in-suit, from First Data, the owner of all of the Katz
7 interactive call processing patents at that time.
8

9 17. The marketplace has clearly recognized the value of Mr. Katz's
10 inventions. Indeed, over 200 companies, including in some instances direct
11 competitors of the defendants, have licensed the patents-in-suit. Licensees include
12 IBM, Hewlett-Packard, Bank of America, JPMorgan Chase, Wells Fargo, HSBC,
13 AT&T, Verizon, Sprint, Microsoft, Delta Airlines, Merck, Sears, and Home
14 Shopping Network. These licensees and others acknowledge the applicability of
15 the patents-in-suit to multiple fields of use, including but not limited to financial
16 services call processing, automated securities transactions, automated credit card
17 authorization services, automated wireless telecommunication services and support,
18 automated health care services, and product and service support.
19

20 18. Earthlink employs the inventions of the patents-in-suit. Katz
21 Technology Licensing, through its licensing arm A2D, L.P., has repeatedly
22 attempted to engage Earthlink in licensing negotiations, but to date, Earthlink has
23 not agreed to take a license to any of the patents-in-suit.
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THE PATENTS-IN-SUIT

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19. On May 29, 1990, the United States Patent and Trademark Office duly and legally issued United States Patent No. 4,930,150 (“the ‘150 Patent”), entitled “Telephonic Interface Control System,” to Ronald A. Katz, sole inventor. The ‘150 Patent expired on December 20, 2005.

20. On September 27, 1994, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,351,285 (“the ‘285 Patent”), entitled “Multiple Format Telephonic Interface Control System,” to Ronald A. Katz, sole inventor. The ‘285 Patent expired on December 20, 2005.

21. On October 1, 1996, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,561,707 (“the ‘707 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘707 Patent expired on December 20, 2005.

22. On November 4, 1997, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,684,863 (“the ‘863 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘863 Patent expired on December 20, 2005.

23. On September 29, 1998, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,815,551 (“the ‘551 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole inventor. The ‘551 Patent expired on December 20, 2005.

1 24. On October 27, 1998, the United States Patent and Trademark Office
2 duly and legally issued United States Patent No. 5,828,734 (“the ‘734 Patent”),
3 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
4 Ronald A. Katz, sole inventor.
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6 25. On April 27, 1999, the United States Patent and Trademark Office
7 duly and legally issued United States Patent No. 5,898,762 (“the ‘762 Patent”),
8 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
9 inventor. The ‘762 Patent expired on December 20, 2005.
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11 26. On June 29, 1999, the United States Patent and Trademark Office duly
12 and legally issued United States Patent No. 5,917,893 (“the ‘893 Patent”), entitled
13 “Multiple Format Telephonic Interface Control System,” to Ronald A. Katz, sole
14 inventor. The ‘893 Patent expired on December 20, 2005.
15

16 27. On October 26, 1999, the United States Patent and Trademark Office
17 duly and legally issued United States Patent No. 5,974,120 (“the ‘120 Patent”),
18 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
19 Ronald A. Katz, sole inventor.
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21 28. On November 14, 2000, the United States Patent and Trademark
22 Office duly and legally issued United States Patent No. 6,148,065 (“the ‘065
23 Patent”), entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A.
24 Katz, sole inventor. The ‘065 Patent expired on July 10, 2005.
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1 29. On January 1, 2002, the United States Patent and Trademark Office
2 duly and legally issued United States Patent No. 6,335,965 (“the ‘965 Patent”),
3 entitled “Voice-Data Telephonic Interface Control System,” to Ronald A. Katz, sole
4 inventor. The ‘965 Patent expired on December 20, 2005.
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6 30. On February 19, 2002, the United States Patent and Trademark Office
7 duly and legally issued United States Patent No. 6,349,134 (“the ‘134 Patent”),
8 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
9 inventor. The ‘134 Patent expired on December 20, 2005.
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11 31. On July 23, 2002, the United States Patent and Trademark Office duly
12 and legally issued United States Patent No. 6,424,703 (“the ‘703 Patent”), entitled
13 “Telephonic-Interface Lottery System,” to Ronald A. Katz, sole inventor. The ‘703
14 Patent expired on July 10, 2005.
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16 32. On August 13, 2002, the United States Patent and Trademark Office
17 duly and legally issued United States Patent No. 6,434,223 (“the ‘223 Patent”),
18 entitled “Telephone Interface Call Processing System With Call Selectivity,” to
19 Ronald A. Katz, sole inventor. The ‘223 Patent expired on July 10, 2005.
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21 33. On January 13, 2004, the United States Patent and Trademark Office
22 duly and legally issued United States Patent No. 6,678,360 (“the ‘360 Patent”),
23 entitled “Telephonic-Interface Statistical Analysis System,” to Ronald A. Katz, sole
24 inventor. The ‘360 Patent expired on July 10, 2005.
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**COUNT I
(PATENT INFRINGEMENT BY EARTHLINK, INC.)**

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3 34. Katz Technology Licensing realleges and incorporates by reference
4 paragraphs 1–33 as if fully set forth herein.

5 35. Katz Technology Licensing is the sole holder of the entire right, title,
6 and interest in the '551, '065, '360, '863, '134, '150, '285, '893, '734, '120, '223,
7 '965, '703, '762 and '707 Patents.
8

9 36. On information and belief, Earthlink operates automated telephone
10 systems, including without limitation the Earthlink customer service and sales
11 service systems that allow its customers to perform purchasing, bill paying,
12 ordering, verification and other functions over the telephone.
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15 37. Earthlink has directly and contributorily infringed, and induced others
16 to infringe, one or more claims of each of the patents identified in paragraph 35 of
17 this Complaint by making, using, offering to sell, and/or selling within the United
18 States automated telephone systems, including without limitation the Earthlink
19 customer service and sales service systems.
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21 38. Earthlink continues to infringe, contributorily infringe, and induce
22 others to infringe the '734 and '120 Patents.
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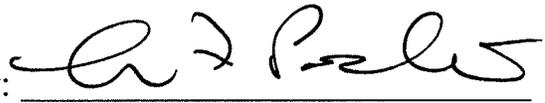
24 39. Earthlink's infringement of the patents identified in paragraph 35 of
25 this Complaint has been willful.
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E. A judgment holding this Action an exceptional case, and an award to Plaintiff Katz Technology Licensing for its attorneys' fees and costs pursuant to 35 U.S.C. § 285; and

F. Such other relief as this Court and/or the Texas Court deem just and equitable.

Dated: October 24, 2007

By: 

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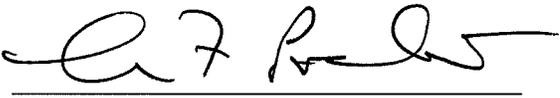
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DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff Ronald A. Katz
Technology Licensing, L.P. hereby demands trial by jury.

Dated: October 24, 2007

By: 

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