

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

LEON STAMBLER,

Plaintiff,

v.

NEWEGG, INC.,

Defendant.

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CIVIL ACTION NO. 2:12cv78

**JURY TRIAL DEMANDED**

**PLAINTIFF'S ORIGINAL COMPLAINT**

Plaintiff LEON STAMBLER files this Original Complaint against the above-named Defendant, alleging as follows:

**I. THE PARTIES**

1. Plaintiff LEON STAMBLER ("Stambler") is an individual residing in Parkland, Florida.

2. Defendant NEWEGG, INC. ("Defendant") is a Delaware corporation with its principal place of business in City of Industry, California. Defendant may be served with process through its registered agent, Corporation Service Company, 2711 Centerville Road Suite 400, Wilmington, Delaware 19808.

**II. JURISDICTION AND VENUE**

3. This is an action for patent infringement arising under 35 U.S.C. §§ 271, 281, and 284-285, among others. This Court has subject matter jurisdiction of this action under Title 28 U.S.C. §1331 and §1338(a).

4. The Court has general and specific personal jurisdiction over Defendant, and venue is proper pursuant to 28 U.S.C. §§ 1391 and 1400(b). Defendant has substantial contacts with the forum as a result of pervasive business activities conducted within the State of Texas and within this District. On information and belief, Defendant regularly solicits business in Texas and in this District, and derives substantial revenue from products, systems, and/or services sold or provided to individuals or entities residing in Texas and in this District. Defendant provides secure online services directly to customers in this District through its interactive websites. Through the provisions of such products and/or services, Defendant has committed and continues to commit acts of patent infringement in the State of Texas and in this District.

### **III. PATENT INFRINGEMENT**

5. On August 10, 1999, United States Patent No. 5,936,541 (“the ‘541 patent”) was duly and legally issued for a “Method for Securing Information Relevant to a Transaction.” A true and correct copy of the ‘541 patent is attached hereto as Exhibit A.

6. Stambler is the inventor and owner of all rights, title, and interest in and to the ‘541 patent, and Stambler possesses all rights of recovery under the ‘541 patent.

7. Defendant has infringed and continues to infringe one or more claims of the ‘541 patent, including at least claims 20, 24, 26, 27, 28, 31, 32, 34, 35, 37, 38, 40, and 46, without the consent or authorization of Stambler, by securing information relevant to transactions (e.g., information communicated from Defendant to a customer when the customer places an online order) made through interactive websites (e.g., newegg.com, neweggbusiness.com, newegg.ca) using one or more secure cookies (e.g., NV\_CUSTOMERLOGIN) and encryption and/or

encoding (e.g., encryption according to the Secure Sockets Layer protocol) to protect information communicated by Defendant in connection with transactions.

8. Defendant's infringement of the '541 patent has been and continues to be willful. Defendant has been aware of the '541 patent as a result of its involvement in the case styled *Stambler v. Amazon.com, Inc., et al.*, 2:09-cv-310 (E.D. Tex.); yet Defendant has continued to perform methods claimed by the '541 patent.

9. Stambler has been damaged as a result of Defendant's infringing conduct. Defendant is, thus, liable to Stambler in an amount that adequately compensates him for its infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

#### **IV. JURY DEMAND**

Stambler hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

#### **V. PRAYER FOR RELIEF**

Stambler requests that the Court find in his favor and against Defendant, and that the Court grant Stambler the following relief:

- a. Judgment that one or more claims of United States Patent No. 5,936,541 has been infringed, either literally and/or under the doctrine of equivalents, by Defendant;
- b. Judgment that Defendant account for and pay to Stambler all damages to and costs incurred by Stambler because of Defendant's infringing activities and other conduct complained of herein;
- c. That Defendant's infringements be found to be willful from the time that Defendant became aware of the infringing nature of its conduct, and that the Court award treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;

- d. That Stambler be granted pre-judgment and post judgment interest on the damages caused by Defendant's infringing activities and other conduct complained of herein;
- e. That the Court declare this an exceptional case and award Stambler his reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
- f. That Stambler be granted such other and further relief as the Court may deem just and proper under the circumstances.

**Dated: February 17, 2012**

Respectfully submitted,

/s/ Brent N. Bumgardner  
(w/permission TJWJr)  
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