

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

SWIPE INNOVATIONS, LLC,

Plaintiff,

v.

- (1) EQUINOX PAYMENTS, LLC;
- (2) HYPERCOM CORPORATION;
- (3) HYPERCOM U.S.A., INC.; AND
- (4) HYPERCOM MANUFACTURING RESOURCES, INC.,

Defendants.

CIVIL ACTION NO. 9:12-CV-126

ORIGINAL COMPLAINT FOR PATENT
INFRINGEMENT

JURY TRIAL DEMANDED

Plaintiff Swipe Innovations, LLC (“Swipe”) files this Complaint against the above-named defendants, alleging, based on its own knowledge with respect to itself and its own actions, and based on information and belief as to all other matters, as follows:

PARTIES

1. Swipe is a limited liability company formed under the laws of the State of Texas, with a principal place of business in Houston, Texas.

2. Defendant Equinox Payments, LLC (“Equinox”) is a Delaware limited liability company with a principal place of business in Scottsdale, Arizona. Equinox is doing business in the state of Texas but has failed to appoint an agent for service of process in Texas. Accordingly, Equinox can be served under the Texas Long Arm Statute, as well as the Texas Business Corporations Act, by serving the Secretary of State. Equinox’s home, home office, and principal office address is 8901 East Raintree Drive, Suite 400, Scottsdale, AZ 85260.

3. On or around Aug. 4, 2011, the United States operations of Hypercom Corporation were spun-off and renamed Equinox Payments, LLC.

4. Defendant Hypercom Corporation (“Hypercom Corp.”) is a Delaware corporation with a principal place of business in Phoenix, Arizona. Hypercom Corp. is doing business in the state of Texas but has failed to appoint an agent for service of process in Texas. Accordingly, Hypercom Corp. can be served under the Texas Long Arm Statute, as well as the Texas Business Corporations Act, by serving the Secretary of State. Hypercom Corp.’s home, home office, and principal office address is 2338 W Royal Palm Rd., Ste. J, Phoenix, AZ 85021.

5. Defendant Hypercom U.S.A., Inc. (“Hypercom USA”) is a Delaware corporation with a principal place of business in Phoenix, Arizona. Hypercom USA is doing business in the state of Texas but has failed to appoint an agent for service of process in Texas. Accordingly, Hypercom USA can be served under the Texas Long Arm Statute, as well as the Texas Business Corporations Act, by serving the Secretary of State. Hypercom USA’s home, home office, and principal office address is 2338 W Royal Palm Rd., Ste. J, Phoenix, AZ 85021.

6. Defendant Hypercom Manufacturing Resources, Inc. (“Hypercom Mfg.”) is an Arizona corporation with a principal place of business in Scottsdale, Arizona. Hypercom Mfg. is doing business in the state of Texas but has failed to appoint an agent for service of process in Texas. Accordingly, Hypercom Mfg. can be served under the Texas Long Arm Statute, as well as the Texas Business Corporations Act, by serving the Secretary of State. Hypercom Mfg.’s home, home office, and principal office address is 8888 E Raintree Dr., Ste. 300, Scottsdale, AZ 85260.

JURISDICTION AND VENUE

7. This is an action for infringement of a United States patent arising under 35 U.S.C. §§ 271, 281, and 284–85, among others. This Court has subject matter jurisdiction of the action under 28 U.S.C. §1331 and §1338(a).

8. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b). Upon information and belief, defendants have transacted business in this district and have committed acts of patent infringement in this district.

9. Defendants are subject to this Court’s specific and general personal jurisdiction under due process and/or the Texas Long Arm Statute, due at least to defendants’ substantial business in this forum, 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 in this district.

JOINDER

10. Plaintiff’s rights to relief are asserted against all named defendants jointly, severally, or in the alternative, with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences relating to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process; and questions of fact common to all defendants will arise in this action.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 5,351,296

11. On September 27, 1994, United States Patent No. 5,351,296 (“the 296 patent”) was duly and legally issued by the United States Patent and Trademark Office for an invention titled “Financial Transmission System.” A true and correct copy of the 296 patent is attached hereto as Exhibit A.

12. Swipe is the owner of the 296 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the 296 patent against infringers, and to collect damages for all relevant times.

13. Equinox, either alone and/or in conjunction with others, including its customers and/or suppliers, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale payment terminal products and/or systems (including at least products and/or systems with encrypting PIN pads) that infringed one or more claims of the 296 patent.

14. Hypercom Corp., Hypercom USA, and Hypercom Mfg. (collectively, “Hypercom”), either alone and/or in conjunction with others, including their customers and/or suppliers, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale payment terminal products and/or systems (including at least products and/or systems with encrypting PIN pads) that infringed one or more claims of the 296 patent.

15. Swipe has been damaged as a result of the infringing conduct by defendants alleged above and, thus, such defendants are liable to Swipe in an amount that adequately

compensates it for their 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.

JURY DEMAND

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

PRAYER FOR RELIEF

Swipe requests that the Court find in its favor and against defendants, and that the Court grant Swipe the following relief:

- a. Judgment that one or more claims of the 296 patent have been infringed, either literally and/or under the doctrine of equivalents, by defendants and/or by others acting in concert therewith;
- b. A permanent injunction enjoining defendants and their respective officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert therewith from infringement of the 296 patent;
- c. Judgment that defendants account for and pay to Swipe all damages to and costs incurred by Swipe because of defendants' infringing activities and other conduct complained of herein;
- d. That Swipe be granted pre-judgment and post-judgment interest on the damages caused by defendants' infringing activities and other conduct complained of herein;
- e. That this Court declare this an exceptional case and award Swipe its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and
- f. That Swipe be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: August 8, 2012

Respectfully submitted,

/s/ Larry D. Thompson, Jr.

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