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CENTRAL DISTRICT OF CALIF  
LOS ANGELES

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8 UNITED STATES DISTRICT COURT  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
10 LOS ANGELES DIVISION  
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12 SONIC INDUSTRY, LLC,

13 Plaintiff,

14 v.

15 HSBC BANK USA, N.A.,

16 Defendant.  
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Case No. 2: 12-CV-05187-R-VBK

**SECOND AMENDED COMPLAINT  
FOR PATENT INFRINGEMENT**

**Jury Trial Demanded**

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SECOND AMENDED COMPLAINT FOR PATENT INFRINGEMENT

**PLAINTIFF'S ORIGINAL COMPLAINT**

Plaintiff Sonic Industry, LLC ("Plaintiff"), by and through its undersigned counsel, files this Second Amended Complaint against HSBC BANK USA, N.A. ("Defendant") as follows:

**NATURE OF THE ACTION**

1. This is a patent infringement action to stop Defendant's infringement of Plaintiff's United States Patent No. 5,954,793 entitled "*Remote Limit-Setting Information System*" (the "'793 patent"; a copy of which is attached hereto as Exhibit A). Plaintiff is the exclusive licensee of the '793 patent with respect to the Defendant. Plaintiff seeks injunctive relief and monetary damages.

**PARTIES**

2. Plaintiff is a limited liability company organized and existing under the laws of the State of Delaware. Plaintiff maintains its principal place of business at 3422 Old Capital Trail, PMB (STE) 1549, Wilmington, Delaware 19808-6192. Plaintiff is the exclusive licensee of the '793 patent with respect to the Defendant, and possesses the right to sue for infringement and recover past damages.

3. Upon information and belief, Defendant is a corporation organized and existing under the laws of the State of Maryland, with its principal place of business located at 1800 Tysons Boulevard Suite 50, McLean, VA 22101.

**JURISDICTION AND VENUE**

4. This action arises under the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 271, 281, 283, 284, and 285. This Court has subject matter jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

5. The Court has personal jurisdiction over Defendant because: Defendant is present within or has minimum contacts with the State of California and the Central District of California; Defendant has purposefully availed itself of the privileges of conducting business in the State of California and in the Central District of California; Defendant has sought protection and benefit

1 from the laws of the State of California; Defendant regularly conducts business within the State of  
2 California and within the Central District of California; and Plaintiff's causes of action arise  
3 directly from Defendant's business contacts and other activities in the State of California and in  
4 the Central District of California.

5 6. More specifically, Defendant, directly and/or through authorized intermediaries,  
6 ships, distributes, offers for sale, sells, and/or advertises (including the provision of an interactive  
7 web page) its products and services in the United States, the State of California, and the Central  
8 District of California. Defendant solicits customers in the State of California and in the Central  
9 District of California. Defendant has paying customers who are residents of the State of  
10 California and the Central District of California and who use the Defendant's products and  
11 services in the State of California and in the Central District of California.

12 7. Venue is proper in the Central District of California pursuant to 28 U.S.C. §§ 1391  
13 and 1400(b).

14 **COUNT I – PATENT INFRINGEMENT**

15 8. The '793 patent was duly and legally issued by the United States Patent and  
16 Trademark Office on September 21, 1999, after full and fair examination, for systems and  
17 methods for setting limits on a remote information system. Plaintiff is the exclusive licensee of  
18 the '793 patent with respect to the Defendant, and possesses all rights of recovery under the '793  
19 patent with respect to the Defendant, including the right to sue for infringement and recover past  
20 damages.

21 9. Plaintiff is informed and believes that Defendant owns, operates, advertises,  
22 controls, sells, and otherwise provides hardware and software for "A method for remotely setting  
23 limits on an information distribution system including a remote processing device for being  
24 connected to a host computer by a communications channel, said method comprising the steps of:  
25 entering selection and limit parameters at the remote processing device; verifying the selection  
26 and limit parameters at the remote processing device prior to establishing said communications  
27 channel; if the selection and limit parameters are verified at the remote processing device,  
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1 establishing said communications channel and transferring said selection and limit parameters  
2 from the remote processing device to the host computer by the communication channel; storing  
3 said selection and limit parameters in a memory of the host computer; transmitting inbound  
4 information directly from at least one information source, through a communications link, to said  
5 host computer, said information source being outside said host computer and said processing  
6 device; extracting, only in said host computer, extracted information from said inbound  
7 information in response to said selection and limit parameters, said extracted information  
8 including only those portions of inbound information which satisfy said selection and limit  
9 parameters; and distributing a non-interactive paging message from the host computer to the  
10 remote processing device, said paging message including, of said inbound information  
11 transmitted to said host computer, only said extracted information.”

12       10. Upon information and belief, Defendant has infringed and continues to infringe  
13 one or more claims of the '793 patent by making, using, providing, offering to sell, and selling  
14 (directly or through intermediaries), in this district and elsewhere in the United States, systems  
15 and methods for using a remote device to set a selection and limit on a server. More particularly,  
16 Plaintiff is informed and believes that Defendant sells and/or requires and/or directs users to  
17 access and/or use a software system on a remote device to enter and verify selection and limit  
18 parameters for online banking prior to transmitting the parameters to a host computer for  
19 processing, in a manner claimed in the '793 patent. Defendant infringes the '793 patent by  
20 Defendant providing the HSBC Banking Software that practices a method for remotely setting  
21 limits on an information distribution system.

22       11. Defendant infringes '793 patent by providing customers a variety of tools and  
23 systems designed to manage and facilitate interacting with their bank accounts, including an alert  
24 system providing users with messages when conditions change. See EXHIBIT B, showing the  
25 “Alerts Questions” of HSBC. The remote processing device corresponds to a user’s desktop  
26 computer, laptop, smart phone, tablet, or any other portable device interacting with the HSBC  
27 Banking Software. The host computer is the HSBC server feeding customer information to the  
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remote processing device, and the communications channel is the data transfer channel that ferries information between the host computer and portable device. Selection and limit parameters refer to classifications that the customer may monitor and receive alerts related to those classifications. Selection limits correspond to the appropriate account. See Exhibit B, "How do I set up, add, or delete alerts." The limit parameters correspond to the values corresponding to whether an alert should be generated. See Exhibit B, "How do I set up, add, or delete alerts" numeral 4 stating "Remember to enter dollar thresholds". This alert generation capability is accessible through the HSBC software present on a user's computer (the remote processing device). See Exhibit B. The customer enters selection and limit parameters for generating an alert. These parameters are verified when the user selects "Save." See Exhibit B, under "How do I set up, add, or delete alerts".

12. After selection and limit parameters are established, the customer's computer, the remote processing device, based on information and belief, sends this data to the HSBC servers, the host computer, over the data transfer channel, the communication channel. Based on information and belief, once the parameter data is transferred from the remote processing device to the host computer, that data is stored in memory. The Defendant infringes the '793 patent when the inbound information corresponds to financial data that the host computer aggregates for access by the customer. For the information to go between the inbound information source and the host computer, a communications link is established. These inbound information sources are outside both Defendant's servers handling customer requests, the host computer, and the customer's computer, the remote processing device. Based on information and belief, the host computer, after receiving the parameter data from the remote processing device, extracts the relevant information from the inbound information source and delivers only that information as an alert to the user. This infringement of the '793 patent occurs when, a customer's account goes below a threshold and an alert is generated to the customer's remote processing device, computer and/or smart phone.



- 1 B. An award to Plaintiff of damages adequate to compensate Plaintiff for the  
2 Defendant's acts of infringement together with pre-judgment and post-judgment  
3 interest;
- 4 C. That, should Defendant's acts of infringement be found to be willful from the time  
5 that Defendant became aware of the infringing nature of their actions, which is the  
6 time of filing of Plaintiff's Original Complaint at the latest, that the Court award  
7 treble damages for the period of such willful infringement pursuant to 35 U.S.C. §  
8 284;
- 9 D. A grant of permanent injunction pursuant to 35 U.S.C. § 283, enjoining the  
10 Defendant from further acts of infringement with respect to the claims of the '793  
11 patent;
- 12 E. That this Court declare this to be an exceptional case and award Plaintiff its  
13 reasonable attorneys' fees and costs in accordance with 35 U.S.C. §285; and
- 14 F. Any further relief that this Court deems just and proper.

15 Respectfully submitted,  
16 **LAW OFFICES OF KRIS LE FAN**

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18 Dated: September 7, 2012

/s/ Kris S. Le Fan  
Kris S. Le Fan, Esq.,  
Attorney for Plaintiff  
SONIC INDUSTRY, LLC