

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NEXPAY, INC.,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CIVIL ACTION NO. 3:12-cv-4397
	§	
STONEEAGLE SERVICES, INC.	§	
	§	JURY TRIAL REQUESTED
Defendant.	§	
	§	

PLAINTIFF NEXPAY, INC.'S ORIGINAL COMPLAINT

NexPay, Inc. ("Plaintiff" or "NexPay") files this Original Complaint asserting the following claims against StoneEagle Services, Inc.

PARTIES

1. Plaintiff NexPay, Inc. is a South Dakota corporation, with its present principal place of business in Addison, Texas.

2. Defendant StoneEagle Services, Inc. is a Texas corporation, with a principal place of business in Richardson, Texas. Defendant may be served with process by serving its registered agent, Phillip A. Bogner at 111 W. Spring Valley Road, STE. 220, Richardson, Texas 75081-4016.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this action under 28 U.S.C. § 1331 and § 1338(a) because the action seeks a declaration of noninfringement under 35 U.S.C. § 271.

4. Venue for this action is proper in this judicial district under 28 U.S.C. §§ 1391(b)–(c) because StoneEagle Services, Inc. resides in this judicial district, and a substantial part of the events giving rise to this action occurred in this judicial district.

FACTS

5. Each year health insurance carriers and third-party administrators (“TPAs”) (i.e. organizations that process insurance claims, usually for self-insured companies) spend an estimated \$210 billion just to process health insurance claims.

6. Much of these administrative expenses are directly attributable to the complicated nature of processing claims in today’s complex health care industry. Each day carriers and TPAs process many hundreds of thousands of claims, match those claims to a particular insured, and determine the amount of the carrier’s and insured’s respective contributions. The carriers and TPAs must then collect and remit the proper sums between the carrier, the insured, and health care providers, all while ensuring that all health-related information contained within the claims is secure and transmitted securely, as required by various applicable federal and state laws.

7. The inordinately high cost of processing claims has led carriers and TPAs to look for ways to streamline the claims administration process; and, thus save money and improve performance.

8. This is where NexPay comes in: NexPay has developed new technology that reduces the complexity of claims processing and makes processing more accurate and more secure. NexPay’s technology also simplifies the processes for remitting payments to carriers, TPAs, and health care providers, all of which reduces the carriers’ and TPAs’ administrative costs.

9. NexPay began using this more expeditious and economical technology in the health-insurance carrier and TPA marketplace in April of 2012.

10. Since that time, many of the largest TPAs in the health-care industry have used NexPay’s services and technology to streamline the way they process claims.

11. Despite the fact that NexPay has developed its own proprietary technology, StoneEagle, a NexPay competitor, has recently alleged that NexPay is infringing on StoneEagle's patent, U.S. Patent No. 7,792,686 B2 ("the '686 Patent").

12. StoneEagle is a plaintiff in another action currently pending in this Court, *StoneEagle Services, Inc. v. Gillman*, et al., No. 3:11-cv-2408.

13. On August 20, 2012, StoneEagle filed a motion for leave to amend its complaint to add a claim of patent infringement, and add NexPay as a new defendant in that infringement action.

14. Because, however, NexPay has not infringed StoneEagle's patent, NexPay files this action to obtain a declaration of noninfringement.

**COUNT 1: DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF
U.S. PATENT NO. 7,792,686 B2**

15. NexPay incorporates by reference the allegations set forth in Paragraphs 1 through 14 as if fully set forth herein.

16. An actual controversy exists as aforementioned with respect to NexPay's alleged infringement of the '686 Patent.

17. The technology that NexPay developed does not and has not infringed, literally or under the doctrine of equivalents, directly, contributorily, by inducement, or jointly, any valid and enforceable claim of the '686 Patent, willfully or otherwise.

18. An actual case or controversy on these points exists given StoneEagle's effort to amend its complaint, add NexPay as a defendant, and pursue a claim of patent infringement against NexPay.

19. NexPay therefore seeks a judicial determination under 28 U.S.C. § 2201 that NexPay has not infringed the '686 Patent.

DEMAND FOR JURY TRIAL

20. NexPay hereby demands a trial by jury of all issues so triable in this action.

PRAYER FOR RELIEF

Wherefore, Plaintiff NexPay prays for judgment and the following relief:

- A. For a declaration that NexPay does not and has not infringed, literally or under the doctrine of equivalents, directly, contributorily, by inducement, or jointly, any valid and enforceable claim of the '686 Patent, willfully or otherwise;
- B. An award to NexPay of its attorney's fees, costs, expert witness fees, and expenses incurred by NexPay in connection with this action under 35 U.S.C. § 285; and
- C. For such other and further relief as the Court deems just and proper.

Date: October 31, 2012

Respectfully submitted,

/s/ Sean T. Hamada

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