

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

MACROSOLVE, INC.,

Plaintiff,

v.

(1) GILT GROUPE HOLDINGS, INC.;
(2) GILT GROUPE, INC.; AND
(3) GILT CITY, INC.,

Defendants.

CIVIL ACTION NO. 6:13-CV-201

ORIGINAL COMPLAINT
FOR PATENT INFRINGEMENT

JURY TRIAL DEMANDED

Plaintiff MacroSolve, Inc. (“MacroSolve”) files this original complaint against the above-named defendants, alleging, based on its own knowledge as to itself and its own actions and based on information and belief as to all other matters, as follows:

PARTIES

1. MacroSolve is a corporation formed under the laws of the State of Oklahoma, with a principal place of business in Tulsa, Oklahoma.
2. Defendant Gilt Groupe Holdings, Inc. (“Gilt Holdings”) is a corporation organized under the laws of Delaware with a principal place of business at 2 Park Avenue, 4th Floor, New York, New York 10016. Gilt Holdings may be served with process by serving the Texas Secretary of State, 1019 Brazos Street, Austin, Texas 78701, as its agent for service because Gilt Holdings engages in business in Texas but has not designated or maintained a resident agent for service of process in Texas as required by statute.
3. Defendant Gilt Groupe, Inc. (“Gilt Groupe”) is a corporation organized under the laws of Delaware with a principal place of business at 2 Park Avenue, 4th Floor,

New York, New York 10016. Gilt Groupe may be served with process by serving the Texas Secretary of State, 1019 Brazos Street, Austin, Texas 78701, as its agent for service because Gilt Groupe engages in business in Texas but has not designated or maintained a resident agent for service of process in Texas as required by statute.

4. Defendant Gilt City, Inc. (“Gilt City”) is a corporation organized under the laws of Delaware with a principal place of business at One Madison Avenue, 5th Floor, New York, New York 10010. Gilt City may be served with process by serving its agent for service of process, Corporation Service Company dba CSC—Lawyers Incorporating Service Company, at 211 E. 7th Street, Suite 620, Austin, TX 78701-3218.

JURISDICTION AND VENUE

5. 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).

6. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1400(b). Upon information and belief, defendants have transacted business in this district and have committed, by themselves or in concert with others, acts of patent infringement in this district.

7. The defendants are subject to this Court’s specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to the defendants’ substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and/or (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.

COUNT I

INFRINGEMENT OF U.S. PATENT NO. 7,822,816

8. On October 26, 2010, United States Patent No. 7,822,816 (“the ’816 patent”) was duly and legally issued by the United States Patent and Trademark Office for an invention entitled “System and Method for Data Management.”

9. MacroSolve is the owner of the ’816 patent with all substantive rights in and to that patent, including the sole and exclusive right to prosecute this action and enforce the ’816 patent against infringers, and to collect damages for all relevant times.

10. Gilt Holdings, Gilt Groupe, and Gilt City (collectively, “Gilt”), directly or through their customers and/or intermediaries, made, had made, used, imported, provided, supplied, distributed, sold, and/or offered for sale products and/or systems (including at least the Gilt and Gilt City mobile app products and/or services) that infringed one or more claims of the ’816 patent.

11. Gilt has and is directly infringing the ’816 patent.

12. Gilt has and is indirectly infringing the ’816 patent, both as an inducer of infringement and as a contributory infringer.

13. Gilt infringes directly both (1) through its own use of its mobile apps and (2) through the joint use of its mobile apps by it and its customers. Regarding point (2), MacroSolve alleges that Gilt and its customers are joint infringers because (a) Gilt is vicariously liable for its customers’ use of its mobile apps because Gilt was the entity responsible for the design of the apps (including by having its agents design the apps) and Gilt encourages its customers to use its mobile apps; and alternatively because (b) Gilt and its customers have acted in concert to use the Gilt mobile apps in a way that performs the

steps of the claimed method. Direct infringement also occurs when Gilt performs certain steps of the claimed methods and its customers perform others (for example, when Gilt performs claim 1's steps (a), (b), and (d) and Gilt's customers perform the remainder of the steps) where Gilt's customers are under the direction or control of Gilt and Gilt is acting as a mastermind.

14. Gilt's customers also commit acts of direct infringement when they download and use the Gilt mobile apps. They do so because their use of the mobile apps performs each step of the claimed methods (including by putting into operation and causing the Gilt servers to perform certain actions such as steps (a), (b), and (d) of claim 1 of the patent-in-suit in response to commands sent from the mobile app).

15. Gilt has both induced and contributed to the underlying direct infringement of the '816 patent by Gilt's customers or by the joint action of Gilt and its customers. The direct infringement underlying the indirect infringement claims consist of the direct infringement by its customers or by Gilt and its customers, as described above.

16. Gilt induces its customers to use the Gilt mobile apps. Gilt's distribution and promotion of the Gilt mobile apps has no other purpose but to cause its customers to download and use it. Gilt encourages its customers to download and use its mobile apps, including, for example, on its website and on the apps' listings in app stores.

17. Gilt has contributed to the infringement of the '816 patent by making its mobile apps available for download and by operating servers (or having its agents operate servers) that can communicate with the mobile apps, and that can be put into use and operation by Gilt's customers through the use of the mobile apps.

18. Gilt's mobile apps have features that have no substantial uses other than the uses that are alleged to infringe the '816 patent. Specifically, the features of the Gilt mobile apps that allow information to be collected from the user of the mobile device and then uploaded to the Gilt servers have no substantial use other than infringing the patent-in-suit. The use of these features of Gilt's mobile apps for their intended purpose necessarily results in infringement of the '816 patent.

19. Gilt has or will have knowledge of the '816 patent, as well as the fact that its customers use of its mobile app infringes the '816 patent, since at least as early as the filing of this lawsuit. Additionally, when it launched its mobile apps, Gilt took inadequate steps to determine whether it would be infringing the intellectual property rights of others, such as MacroSolve, and thus was willfully blind to the existence of the '816 patent. Gilt thus induces /induced and contributes/contributed to acts of direct infringement with the specific intent that others would infringe the '816 patent.

JURY DEMAND

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

PRAYER FOR RELIEF

MacroSolve requests that the Court find in its favor and against the defendant, and that the Court grant MacroSolve the following relief:

a. Judgment that one or more claims of the '816 patent have been infringed, either literally and/or under the doctrine of equivalents, by the defendants and/or all others acting in concert therewith;

b. A permanent injunction enjoining the defendants and their officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents,

and all others acting in concert therewith from infringement of the '816 patent;

c. Judgment that the defendants account for and pay to MacroSolve all damages to and costs incurred by MacroSolve because of the defendants' infringing activities and other conduct complained of herein;

d. That MacroSolve be granted pre-judgment and post-judgment interest on the damages caused by the defendants' infringing activities and other conduct complained of herein;

e. That this Court declare this an exceptional case and award MacroSolve its reasonable attorney's fees and costs in accordance with 35 U.S.C. § 285; and

f. That MacroSolve be granted such other and further relief as the Court may deem just and proper under the circumstances.

Dated: February 25, 2013

Respectfully submitted,

/s/ Califf T. Cooper

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