

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

Monticello Enterprises LLC,

Plaintiff

v.

Petco Health & Wellness Company, Inc., and
Petco Animals Supply Stores, Inc.

Defendants.

Case No. 6:23-cv-00761

JURY TRIAL DEMANDED

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Monticello Enterprises, LLC (“Monticello” or “Plaintiff”) files this Complaint for patent infringement against Petco Health & Wellness Company, Inc. and Petco Animals Supply Stores, Inc. (Collectively “Petco” or “Defendants”), and alleges as follows:

I. NOTICE OF RELATED CASES

This case is related to the following active cases:

- *Monticello Enterprises, LLC v. Macy’s, Inc., et al*, [6:23-cv-00753-XR]; and
- *Monticello Enterprises, LLC v. Starbucks Corporation*, [case number to be assigned].

II. NATURE OF THE ACTION

1. This is an action for patent infringement arising under 35 U.S.C. § 1 *et seq.*

III. PARTIES

2. Monticello is a limited liability company organized and existing under the laws of the State of Maryland with its principal place of business in Huntingtown, Maryland.

3. Upon information and belief, Defendant Petco Health & Wellness Company, Inc. is a corporation organized under the laws of the State of Delaware with a principal place of

business in this district located at 654 Richland Hills Dr., San Antonio, TX 78245-2494 and also maintains a place of business district at 2404 W Loop 340, Waco, Tx 76711. On information and belief, Petco Health and Wellness Company, Inc. may be served c/o The Corporation Trust Company, Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801.

4. Upon information and belief, Defendant Petco Animals Supply Stores, Inc. is a corporation organized under the laws of the State of Delaware with a principal place of business in this district located at 654 Richland Hills Dr., San Antonio, TX 78245-2494. On information and belief, Defendant Petco Animal Supplies Stores, Inc. is a wholly-owned subsidiary of Petco Health and Wellness Company, Inc. On information and belief, Petco Animal Supplies Stores, Inc. also maintains a place of business in this district at 2404 W Loop 340, Waco, Tx 76711. On information and belief, Petco Animal Supplies Stores, Inc. is registered to do business in Texas and may be served c/o Prentice-Hall Corporation System, located at 211 E. 7th Street, Suite 620 Austin, TX 78701.

5. On information and belief, Defendant Petco Health & Wellness Company directs and control the activity of Defendant Petco Animals Supply Stores, Inc. and has full control of its business, property, and operations. On information and belief, Petco Health & Wellness Company is the sole manager of the Petco Animals Supply Stores, Inc. For example, Petco Health & Wellness Company directs parties interested in shopping for its products in person to stores operated by Petco Animals Supply Stores, Inc. On information and belief, the revenues and profits of the Petco Animals Supply Stores, Inc are publicly reported by Petco Health & Wellness Company. as the revenues and profits of Petco Health & Wellness Company without separate attribution.

6. As a result of these and other facts, Defendants are not separate and distinct business entities. The actions and property of each Defendant are attributable to each other Defendant. Petco Health & Wellness Company is the alter ego of Petco Animals Supply Stores, Inc.

IV. JURISDICTION AND VENUE

7. This Court has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

8. Upon information and belief, Defendants are subject to personal jurisdiction of this Court based upon them having regularly conducted business, including the acts complained of herein, within the State of Texas and this judicial district and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this District.

9. Venue is proper in this judicial district under 28 U.S.C. §1400(b) because Defendants have committed acts of patent infringement in this District and have a regular and established place of business in this District. Specifically, Defendants have their Satellite Support Center in this district at 654 Richland Hills Dr., San Antonio, TX 78245-2494 and have retail stores in this District, including at 2404 W Loop 340, Waco, Tx 76711.

10. On information and belief, the places of business of each Defendant are places of business of the other Defendant. On information and belief, each Defendant relies on the continuous ability to use and regularly uses places of business nominally owned or leased and controlled in part by the other party to conduct its business in this District and surrounding areas—including, as applicable, the facilities at 654 Richland Hills Dr., San Antonio, TX 78245-2494 and have retail stores in this District, including at 2404 W Loop 340, Waco, Tx 76711.

V. PATENTS

11. The United States Patent and Trademark Office duly and legally issued U.S. Patent No. 9,824,408 (the “’408 patent”), entitled “Browser Payment Request API,” on November 21, 2017. Monticello is the legal owner of the ’408 patent by assignment. A true and correct copy of the ’408 patent is attached hereto as Exhibit A.

12. The United States Patent and Trademark Office duly and legally issued U.S. Patent No. 10,121,186 (the “’186 patent”), entitled “System and Method of Using a Browser Application Programming Interface for Making Payments,” on November 6, 2018. Monticello is the legal owner of the ’186 patent by assignment. A true and correct copy of the ’186 patent is attached hereto as Exhibit B.

13. The United States Patent and Trademark Office duly and legally issued U.S. Patent No. 10,643,266 (the “’266 patent”), entitled “System and Method for In-app Payments,” on May 5, 2020. Monticello is the legal owner of the ’266 patent by assignment. A true and correct copy of the ’266 patent is attached hereto as Exhibit C.

14. The United States Patent and Trademark Office duly and legally issued U.S. Patent No. 11,004,139 (the “’139 patent”), entitled “System and Method for Providing Simplified In Store Purchases and In-app Purchases Using a Use-interface-based Payment API,” on May 11, 2021. Monticello is the legal owner of the ’139 patent by assignment. A true and correct copy of the ’139 patent is attached hereto as Exhibit D.

15. The United States Patent and Trademark Office duly and legally issued U.S. Patent No. 11,461,828 (the “’828 patent”), entitled “System and Method for Receiving Data at a Merchant Device From a User Device Over a Wireless Link,” on October 4, 2022. Monticello is

the legal owner of the '828 patent by assignment. A true and correct copy of the '828 patent is attached hereto as Exhibit E.

16. The United States Patent and Trademark Office duly and legally issued U.S. Patent No. 11,468,497 (the "'497 patent"), entitled "System and Method for Receiving Data at a Merchant Device From a User Device Over a Wireless Link," on October 11, 2022. Monticello is the legal owner of the '497 patent by assignment. A true and correct copy of the '497 patent is attached hereto as Exhibit F.

VI. FACTUAL ALLEGATIONS

A. Monticello

17. Thomas Isaacson, the founder of Monticello, is a serial innovator. He is listed as an inventor on more than 120 patent applications covering a variety of inventions. In 2014, Mr. Isaacson filed the applications that matured into the '408, '186, '266, '139, '828, and '497 patents (collectively the "Asserted Patents"), which are directed at improving and simplifying making purchases on a website through a browser and on a mobile device through a merchant application. Mr. Isaacson developed a way to simplify the user experience when making such purchases by disclosing an updated browser having an application programming interface ("API") for communicating payment data between the browser and a site for processing payments of purchases and to reduce the number of user interactions needed for a purchasing process. Mr. Isaacson's innovations as claimed in the Asserted Patents provide fast and secure methods for delivering stored payment data to a merchant upon the purchaser's approval of the transaction so that merchants, such as the Defendants, can provide their customers with a simplified, more reliable, and more secure shopping experience both online and in the store.

18. Mr. Isaacson's inventions have been recognized by leading providers of online payment services, several of whom have taken licenses to the Asserted Patents.

B. Petco

19. Petco describes itself as “a category-defining health and wellness company focused on improving the lives of pets, pet parents and our own Petco partners.” According to its website, Petco “operate[s] more than 1,500 Petco locations across the U.S., Mexico and Puerto Rico, . . . and offer[s] a complete online resource for pet health and wellness at petco.com and on the Petco app.” Petco enables customers using certain Apple devices to checkout with Apple Pay when making purchases from Petco’s website, Petco’s iOS application, and Petco’s in-store Point-of-sale (“POS”) terminals (collectively “Accused Instrumentalities”).

20. For example, when Apple Pay is available to the customer, Petco’s website prominently presents the “Apple Pay” button at checkout to enable and encourage the customer to complete the purchase using Apple Pay. *See* Figure 1, available during the checkout process at <https://www.petco.com>.

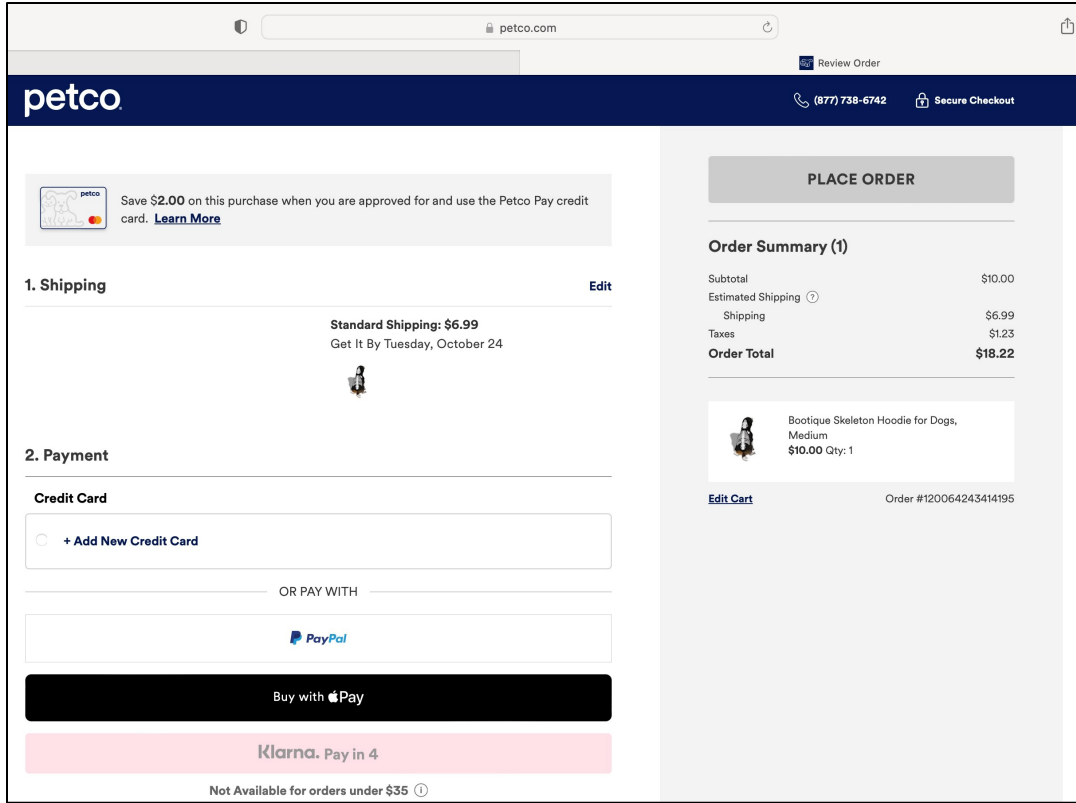


Figure 1 - Checkout Screen From Petco.Com on Apple Mac

21. Petco also enables customers to complete their purchase using Apple Pay on its iOS application. For example, when a customer is making a purchase using the Petco iOS application on an iPhone, Petco prominently presents the “Apple Pay” button in the “Cart” window to enable and encourage the customer to complete the purchase using Apple Pay before entering the checkout process. See Figure 2.

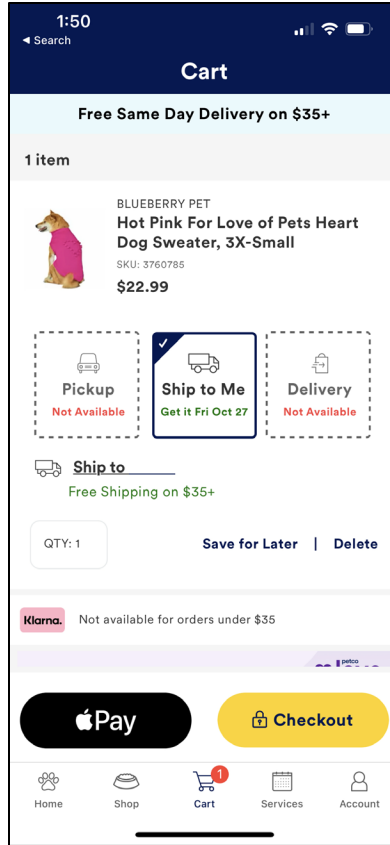
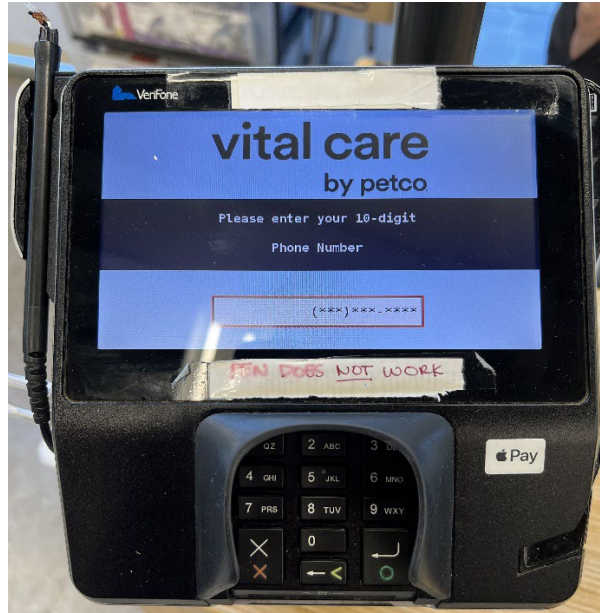


Figure 2 - Petco App Cart Review Screen on iPhone

22. Petco also enables its customers to use Apple Pay to quickly pay for purchases at its brick & mortar locations. Petco provides an NFC-enabled POS terminal at each checkout counter prominently displaying the “Apple Pay” logo to encourage its customers to complete their purchase using Apple Pay. *See* Figure 3.



23. Defendants have knowledge of the Asserted Patents since at least the date of the filing and/or service of this Complaint.

VII. FIRST CAUSE OF ACTION
Infringement of U.S. Patent No. 9,824,408

24. Plaintiff incorporates the foregoing paragraphs 1 to 23 by this reference as though fully set forth herein.

25. Defendants have directly infringed and continue to directly infringe one or more claims of the '408 patent literally and/or under the doctrine of equivalents, pursuant to 35 U.S.C § 271, by making, using, selling, and/or offering to sell within the United States, without permission or authority the Accused Instrumentalities, all of which enable customers using certain Apple devices to pay for purchases using Apple Pay.

26. Defendants induce infringement by others of one or more claims of the '408 patent in violation of 35 U.S.C. §271(b) in aiding, instructing, promoting, encouraging or otherwise acting with the intent to cause other parties, including customers, to use the Accused Instrumentalities to make purchases using Apple Pay, including by prominently displaying the

“Apple Pay” buy button or logo wherever Apple Pay can be used. Defendants are aware of the ’408 patent at least as of the filing and/or service of this Complaint, and know or should know that the inducing acts described herein constitute infringement of the ’408 patent.

27. Defendants are also liable for contributory infringement of one or more claims of the ’408 patent in violation of 35 U.S.C. §271(c) by providing a material part of the Accused Instrumentalities used to infringe one or more claims of the ’408 patent. Those parts of the Accused Instrumentalities that enable payment using Apple Pay have no substantial non-infringing uses. At least as of the filing and/or service of this Complaint Defendants knew that the Accused Instrumentalities were especially made for use in an infringing manner. For at least the reasons set forth above, Defendants contribute to the infringement of the ’408 patent by others.

28. Defendants continue their infringing actions despite knowing that their actions constitute an unjustifiably high risk that their activities infringe the ’408 patent, which was duly issued by the USPTO, and is presumed valid. For example, since at least the filing and/or service of this Complaint, Defendants have been aware of the unjustifiably high risk that their actions continue to constitute infringement of the ’408 patent, and that the ’408 patent is valid. On information and belief, Defendants could not reasonably, subjectively believe that their actions do not constitute infringement of the ’408 patent, and they could not reasonably, subjectively believe that the ’408 patent is invalid. Despite this knowledge and subjective belief, and the unjustifiably high risk that their actions constitute infringement, Defendants have continued their infringing activities. As such, Defendants willfully infringe the ’408 patent.

29. As just one non-limiting example of Defendants’ direct infringement, set forth below (with claim language in italics) is a description of Defendants’ direct infringement of

exemplary claim 43 of the '408 patent in connection with Defendants' sale of products through their website. Monticello reserves the right to modify this description, including, for example, on the basis of information that it obtains during discovery:

a. *43. A method comprising: receiving an interaction with a site, the site being presented in a browser; On information and belief, when Defendants enable their customers to use Apple Pay to purchase items through Defendants' website, they will cause their website, as displayed through a browser, to present the Apple Pay button to customers using an Apple Pay-capable device. When the customer clicks on the Apple Pay button, Defendants receive this customer interaction with the website.*

b. *transmitting, based on the interaction and from the site, via a browser payment request application programming interface that defines a protocol for communicating authorized payment data between the site and the browser, a request associated with a potential purchase on the site, wherein the request seeks the authorized payment data and wherein the authorized payment data is usable across multiple sites; On information and belief, in response to the customer clicking the Apple Pay button, Defendants prepare an Apple Pay Request, which they transmit from their website to the customer's browser using either the Apple Pay JS API or the W3C Payment Request API, which are application programming interfaces that define the protocol for communicating authorized payment data between a website and a browser. The Apple Pay Request includes information about the Apple Pay session that will be used for the potential purchase. The request seeks Apple Pay authorized payment data from the customer's device, where the Apple Pay authorized payment data will be in the form of an encrypted Apple Pay token which is usable across multiple sites.*

c. *receiving the authorized payment data from the browser, via the browser payment request application programming interface; and:* On information and belief, the Defendants' website then receives the requested Apple Pay authorized payment data, including the encrypted Apple Pay token and other information from the browser via the Apple Pay JS API or the W3C Payment Request API.

d. *submitting the authorized payment data to a payment processor for processing a purchase.* On information and belief, Defendants then pass the Apple Pay token and other information to Defendants' payment processor to process the purchase.

VIII. SECOND CAUSE OF ACTION
Infringement of U.S. Patent No. 10,121,186

30. Plaintiff incorporates the foregoing paragraphs 1 to 23 by this reference as though fully set forth herein.

31. Defendants have directly infringed and continue to directly infringe one or more claims of the '186 patent literally and/or under the doctrine of equivalents, pursuant to 35 U.S.C § 271, by making, using, selling, and/or offering to sell within the United States, without permission or authority the Accused Instrumentalities, all of which enable customers using certain Apple devices to pay for purchases using Apple Pay.

32. Defendants induce infringement by others of one or more claims of the '186 patent in violation of 35 U.S.C. §271(b) in aiding, instructing, promoting, encouraging or otherwise acting with the intent to cause other parties, including customers, to use the Accused Instrumentalities to make purchases using Apple Pay, including by prominently displaying the "Apple Pay" buy button or logo wherever Apple Pay can be used. Defendants are aware of the '186 patent at least as of the filing and/or service of this Complaint, and know or should know that the inducing acts described herein constitute infringement of the '186 patent.

33. Defendants are also liable for contributory infringement of one or more claims of the '186 patent in violation of 35 U.S.C. §271(c) by providing a material part of the Accused Instrumentalities used to infringe one or more claims of the '186 patent. Those parts of the Accused Instrumentalities that enable payment using Apple Pay have no substantial non-infringing uses. At least as of the filing and/or service of this Complaint Defendants knew that the Accused Instrumentalities were especially made for use in an infringing manner. For at least the reasons set forth above, Defendants contribute to the infringement of the '186 patent by others.

34. Defendants continue their infringing actions despite knowing that their actions constitute an unjustifiably high risk that their activities infringe the '186 patent, which was duly issued by the USPTO, and is presumed valid. For example, since at least the filing and/or service of this Complaint, Defendants have been aware of the unjustifiably high risk that their actions continue to constitute infringement of the '186 patent, and that the '186 patent is valid. On information and belief, Defendants could not reasonably, subjectively believe that their actions do not constitute infringement of the '186 patent, and they could not reasonably, subjectively believe that the '186 patent is invalid. Despite this knowledge and subjective belief, and the unjustifiably high risk that their actions constitute infringement, Defendants have continued their infringing activities. As such, Defendants willfully infringe the '186 patent.

35. As just one non-limiting example of Defendants' direct infringement, set forth below (with claim language in italics) is a description of Defendants' direct infringement of exemplary claim 12 of the '186 patent in connection with Defendants' sale of products through their website. Monticello reserves the right to modify this description, including, for example, on the basis of information that it obtains during discovery:

a. 32. *A method comprising: transmitting, from a site, to a browser and via a browser application programming interface that defines a protocol for communicating data between the site and a browser, a request associated with a potential purchase, wherein the request identifies a payment service which can be used to process a payment; and: On information and belief, when responding to a customer request to use Apple Pay, Defendants prepare an Apple Pay Request, which they transmit from their website to the customer's browser using either the Apple Pay JS API or the W3C Payment Request API, which are application programming interfaces that define the protocol for communicating authorized payment data between a website and a browser. The Apple Pay Request, which is based on information received from the Apple Pay gateway, identifies Apple Pay as the payment service that can be used to process the payment.*

b. *receiving, from the browser and via the browser application programming interface, a response to the request based on data received at the browser from the payment service, the data received being in response to a communication, based on the request, from the browser to the payment service. On information and belief, the Defendants' website receives a response from the browser via the via the Apple Pay JS API or the W3C Payment Request API. The response includes the Apple Pay authorized payment data, including the encrypted Apple Pay token and other information, which is received by the Browser from a secured location on the device in response to a communication from the browser to that secured location.*

IX. THIRD CAUSE OF ACTION
Infringement of U.S. Patent No. 10,643,266

36. Plaintiff incorporates the foregoing paragraphs 1 to 23 by this reference as though fully set forth herein.

37. Defendants have directly infringed and continue to directly infringe one or more claims of the '266 patent literally and/or under the doctrine of equivalents, pursuant to 35 U.S.C § 271, by making, using, selling, and/or offering to sell within the United States, without permission or authority the Accused Instrumentalities, all of which enable customers using certain Apple devices to pay for purchases using Apple Pay.

38. Defendants induce infringement by others of one or more claims of the '266 patent in violation of 35 U.S.C. §271(b) in aiding, instructing, promoting, encouraging or otherwise acting with the intent to cause other parties, including customers, to use the Accused Instrumentalities to make purchases using Apple Pay, including by prominently displaying the “Apple Pay” buy button or logo wherever Apple Pay can be used. Defendants are aware of the '266 patent at least as of the filing and/or service of this Complaint, and know or should know that the inducing acts described herein constitute infringement of the '266 patent.

39. Defendants are also liable for contributory infringement of one or more claims of the '266 patent in violation of 35 U.S.C. §271(c) by providing a material part of the Accused Instrumentalities used to infringe one or more claims of the '266 patent. Those parts of the Accused Instrumentalities that enable payment using Apple Pay have no substantial non-infringing uses. At least as of the filing and/or service of this Complaint Defendants knew that the Accused Instrumentalities were especially made for use in an infringing manner. For at least the reasons set forth above, Defendants contribute to the infringement of the '266 patent by others.

40. Defendants continue their infringing actions despite knowing that their actions constitute an unjustifiably high risk that their activities infringe the '266 patent, which was duly issued by the USPTO, and is presumed valid. For example, since at least the filing and/or

service of this Complaint, Defendants have been aware of the unjustifiably high risk that their actions continue to constitute infringement of the '266 patent, and that the '266 patent is valid. On information and belief, Defendants could not reasonably, subjectively believe that their actions do not constitute infringement of the '266 patent, and they could not reasonably, subjectively believe that the '266 patent is invalid. Despite this knowledge and subjective belief, and the unjustifiably high risk that their actions constitute infringement, Defendants have continued their infringing activities. As such, Defendants willfully infringe the '266 patent.

41. As just one non-limiting example of Defendants' direct infringement, set forth below (with claim language in italics) is a description of Defendants' direct infringement of exemplary claim 1 of the '266 patent in connection with Defendants' sale of products through their iOS application. Monticello reserves the right to modify this description, including, for example, on the basis of information that it obtains during discovery:

a. *1. A method comprising: transmitting, from an application, to a software module on a mobile device, a request associated with a payment to the application for a potential purchase, wherein the request comprises information about the payment, and wherein the software module comprises a software module application programming interface that defines a protocol for communicating data between the application and the software module;* and: On information and belief, Defendants' iOS application enables customers to pay with Apple Pay. Defendants' iOS application responds to a customer selection of Apple Pay as the method of Payment by transmitting an Apple Pay Request containing details about the potential purchase to an Apple Pay module on the iOS device where the Apple Pay module includes at least components of the PassKit API, which defines the protocol for communicating between the application and the Apple Pay module.

b. *receiving, at the application, from the software module and via the software module application programming interface, authorized payment data, wherein the software module accesses or receives, based on the request, authorized payment data for the potential purchase from the mobile device or a network-based entity, wherein the authorized payment data comprises at least user payment data from a memory of the mobile device and wherein the authorized payment data can be used in at least part of a payment process.* On information and belief, Defendants' iOS application receives from the Apple Pay module via the PassKit API authorized payment data, including an encrypted Apple Pay token and other information, which the Apple Pay module received, based on the Apple Pay Request, from the device and/or a network-based entity. The encrypted Apple Pay token and other information includes the customer's payment credentials from the customer's device memory and can be used in at least part of the payment process.

X. FOURTH CAUSE OF ACTION

Infringement of U.S. Patent No. 11,004,139

42. Plaintiff incorporates the foregoing paragraphs 1 to 23 by this reference as though fully set forth herein.

43. Defendants have directly infringed and continue to directly infringe one or more claims of the '139 patent literally and/or under the doctrine of equivalents, pursuant to 35 U.S.C § 271, by making, using, selling, and/or offering to sell within the United States, without permission or authority the Accused Instrumentalities, all of which enable customers using certain Apple devices to pay for purchases using Apple Pay.

44. Defendants induce infringement by others of one or more claims of the '139 patent in violation of 35 U.S.C. §271(b) in aiding, instructing, promoting, encouraging or otherwise acting with the intent to cause other parties, including customers, to use the Accused

Instrumentalities to make purchases using Apple Pay, including by prominently displaying the “Apple Pay” buy button or logo wherever Apple Pay can be used. Defendants are aware of the ’139 patent at least as of the filing and/or service of this Complaint, and know or should know that the inducing acts described herein constitute infringement of the ’139 patent.

45. Defendants are also liable for contributory infringement of one or more claims of the ’139 patent in violation of 35 U.S.C. §271(c) by providing a material part of the Accused Instrumentalities used to infringe one or more claims of the ’139 patent. Those parts of the Accused Instrumentalities that enable payment using Apple Pay have no substantial non-infringing uses. At least as of the filing and/or service of this Complaint Defendants knew that the Accused Instrumentalities were especially made for use in an infringing manner. For at least the reasons set forth above, Defendants contribute to the infringement of the ’139 patent by others.

46. Defendants continue their infringing actions despite knowing that their actions constituted an unjustifiably high risk that their activities infringe the ’139 patent, which was duly issued by the USPTO, and is presumed valid. For example, since at least the filing and/or service of this Complaint, Defendants have been aware of the unjustifiably high risk that their actions continue to constitute infringement of the ’139 patent, and that the ’139 patent is valid. On information and belief, Defendants could not reasonably, subjectively believe that their actions do not constitute infringement of the ’139 patent, and they could not reasonably, subjectively believe that the ’139 patent is invalid. Despite this knowledge and subjective belief, and the unjustifiably high risk that their actions constitute infringement, Defendants have continued their infringing activities. As such, Defendants willfully infringe the ’139 patent.

47. As just one non-limiting example of Defendants' direct infringement, set forth below (with claim language in italics) is a description of Defendants' direct infringement of exemplary claim 25 of the '139 patent in connection with Defendants' sale of products through their iOS application. Monticello reserves the right to modify this description, including, for example, on the basis of information that it obtains during discovery:

a. *25. A method comprising: transmitting, from an application operating on a device, to a module on the device that controls a user interface and according to an application programming interface that defines a protocol for communicating data between the application and the module on the device that controls the user interface, a request associated with a potential purchase, wherein the request comprises information about the potential purchase;* and: On information and belief, Defendants' iOS application enables customers to pay with Apple Pay. Defendants' iOS application responds to a customer selection of Apple Pay as the method of Payment by transmitting an Apple Pay Request containing details about the potential purchase to the Apple Pay module on the iOS device, where the Apple Pay module includes at least components of the PassKit API, which defines the protocol for communicating between the application and the Apple Pay module.

b. *receiving, at the application, from the module that controls the user interface and according to the application programming interface, authorized payment data, wherein the module that controls the user interface retrieved, based on the request, the authorized payment data for the potential purchase from one of the module that controls the user interface, the device operating the module that controls the user interface or a network-based entity separate from the device.* On information and belief, Defendants' iOS application receives from the Apple Pay module via the PassKit API authorized payment data, including an encrypted

Apple Pay token and other information, which the Apple Pay module received, based on the Apple Pay Request, from the device and/or a network-based entity.

XI. FIFTH CAUSE OF ACTION
Infringement of U.S. Patent No. 11,461,828

48. Plaintiff incorporates the foregoing paragraphs 1 to 23 by this reference as though fully set forth herein.

49. Defendants have directly infringed and continue to directly infringe one or more claims of the '828 patent literally and/or under the doctrine of equivalents, pursuant to 35 U.S.C § 271, by making, using, selling, and/or offering to sell within the United States, without permission or authority the Accused Instrumentalities, all of which enable customers using certain Apple devices to pay for purchases using Apple Pay.

50. Defendants induce infringement by others of one or more claims of the '828 patent in violation of 35 U.S.C. §271(b) in aiding, instructing, promoting, encouraging or otherwise acting with the intent to cause other parties, including customers, to use the Accused Instrumentalities to make purchases using Apple Pay, including by prominently displaying the "Apple Pay" buy button or logo wherever Apple Pay can be used. Defendants are aware of the '828 patent at least as of the filing and/or service of this Complaint, and know or should know that the inducing acts described herein constitute infringement of the '828 patent.

51. Defendants are also liable for contributory infringement of one or more claims of the '828 patent in violation of 35 U.S.C. §271(c) by providing a material part of the Accused Instrumentalities used to infringe one or more claims of the '828 patent. Those parts of the Accused Instrumentalities that enable payment using Apple Pay have no substantial non-infringing uses. At least as of the filing and/or service of this Complaint Defendants knew that the Accused Instrumentalities were especially made for use in an infringing manner. For at least

the reasons set forth above, Defendants contribute to the infringement of the '828 patent by others.

52. Defendants continue their infringing actions despite knowing that their actions constitute an unjustifiably high risk that their activities infringe] the '828 patent, which was duly issued by the USPTO, and is presumed valid. For example, since at least the filing and/or service of this Complaint, Defendants have been aware of the unjustifiably high risk that their actions continue to constitute infringement of the '828 patent, and that the '828 patent is valid. On information and belief, Defendants could not reasonably, subjectively believe that their actions do not constitute infringement of the '828 patent, and they could not reasonably, subjectively believe that the '828 patent is invalid. Despite this knowledge and subjective belief, and the unjustifiably high risk that their actions constitute infringement, Defendants have continued their infringing activities. As such, Defendants willfully infringe the '828 patent.

53. As just one non-limiting example of Defendants' direct infringement, set forth below (with claim language in italics) is a description of Defendants' direct infringement of exemplary claim 1 of the '828 patent in connection with Defendants' sale of products at their brick and mortar stores. Monticello reserves the right to modify this description, including, for example, on the basis of information that it obtains during discovery:

a. 1. *A method comprising: establishing a communication between a mobile device and a separate device a via a wireless link between the mobile device and the separate device, the communication being associated with a purchase, wherein, on a display of the mobile device, an instruction is presented associated with the purchase and, after the instruction is displayed, a combination of a first type of input and a second type of input are received on the mobile device, the first type of input comprising at least one button press of a physical button*

that is separate from the display on the mobile device and the second type of input received from a user to confirm a payment for the purchase, the second type of input not requiring any interaction with the display and the second type of input comprising a security measure to prevent unauthorized purchases, and wherein, based on the combination of the first type of input and the second type of input, payment data is retrieved from a memory of the mobile device; and:

On information and belief, Defendants equip their retail brick and mortar stores with POS terminals that, when in the vicinity of a user device capable of making an Apple Pay payment, establish a communication between the user device and the POS terminal using near field communication (NFC) technology, which uses a wireless link, in order to facilitate a payment. Under certain conditions the display of the user device presents the user with instructions to press a button on the side of the user device to open Apple Pay on the device and then to authenticate the user using face ID, touch ID or the device's passcode. Once these two steps are completed, the encrypted Apple Pay token and other information is retrieved from memory in the user device.

b. *receiving the payment data, via the wireless link, at the separate device to make the purchase, wherein receiving the payment data, via the wireless link, at the separate device to make the purchase is performed according to a protocol for communicating the payment data to the separate device.* On information and belief, the Defendants' POS terminal receives the encrypted Apple Pay token and other information from the user device via the NFC link using the EMV communications protocol in order to make the purchase.

XII. SIXTH CAUSE OF ACTION
Infringement of U.S. Patent No. 11,468,497

54. Plaintiff incorporates the foregoing paragraphs 1 to 23 by this reference as though fully set forth herein.

55. Defendants have directly infringed and continue to directly infringe one or more claims of the '497 patent literally and/or under the doctrine of equivalents, pursuant to 35 U.S.C § 271, by making, using, selling, and/or offering to sell within the United States, without permission or authority the Accused Instrumentalities, all of which enable customers using certain Apple devices to pay for purchases using Apple Pay.

56. Defendants induce infringement by others of one or more claims of the '497 patent in violation of 35 U.S.C. §271(b) in aiding, instructing, promoting, encouraging or otherwise acting with the intent to cause other parties, including customers, to use the Accused Instrumentalities to make purchases using Apple Pay, including by prominently displaying the “Apple Pay” buy button or logo wherever Apple Pay can be used. Defendants are aware of the '497 patent at least as of the filing and/or service of this Complaint, and know or should know that the inducing acts described herein constitute infringement of the '497 patent.

57. Defendants are also liable for contributory infringement of one or more claims of the '497 patent in violation of 35 U.S.C. §271(c) by providing a material part of the Accused Instrumentalities used to infringe one or more claims of the '497 patent. Those parts of the Accused Instrumentalities that enable payment using Apple Pay have no substantial non-infringing uses. At least as of the filing and/or service of this Complaint Defendants knew that the Accused Instrumentalities were especially made for use in an infringing manner. For at least the reasons set forth above, Defendants contribute to the infringement of the '497 patent by others.

58. Defendants continue their infringing actions despite knowing that their actions constitute an unjustifiably high risk that their activities infringe the '497 patent, which was duly issued by the USPTO, and is presumed valid. For example, since at least the filing and/or

Service of this Complaint, Defendants have been aware of the unjustifiably high risk that their actions continue to constitute infringement of the '497 patent, and that the '497 patent is valid. On information and belief, Defendants could not reasonably, subjectively believe that their actions do not constitute infringement of the '497 patent, and they could not reasonably, subjectively believe that the '497 patent is invalid. Despite this knowledge and subjective belief, and the unjustifiably high risk that their actions constitute infringement, Defendants have continued their infringing activities. As such, Defendants willfully infringe the '497 patent.

59. As just one non-limiting example of Defendants' direct infringement, set forth below (with claim language in italics) is a description of Defendants' direct infringement of exemplary claim 1 of the '497 patent in connection with Defendants' sale of products at their brick and mortar stores. Monticello reserves the right to modify this description, including, for example, on the basis of information that it obtains during discovery:

a. *1. A method comprising: establishing, via a merchant device, a communication between the merchant device and a user device via a wireless link between the user device and the merchant device, the communication being associated with a potential purchase and being initiated in connection with the potential purchase, wherein, based on the communication, the user device presents, on a display of the user device, information associated with the potential purchase; and:* On information and belief, Defendants equip their retail brick and mortar stores with POS terminals that, when in the vicinity of a user device capable of making an Apple Pay payment and for the purpose of making a potential purchase, establish a communication between the user device and the POS terminal using near field communication (NFC) technology, which uses a wireless link, in order to facilitate a payment for a potential

purchase. Based on this NFC link, information associated with the potential purchase, including instructions for completing the purchase, is displayed on the user device.

b. *receiving, at the merchant device and via the wireless link, user payment data to make the potential purchase, wherein the user payment data is obtained based on (1) the user device receiving a single-interaction from a user in response to the information to confirm a payment for the potential purchase, the single-interaction comprising a security measure to prevent unauthorized purchases and (2) the user device retrieving, based on the single-interaction from the user, the user payment data from a memory of the user device, wherein receiving the user payment data via the wireless link at the merchant device to make a purchase is performed according to a protocol for communicating the user payment data to the merchant device.* On information and belief, the Defendants' POS terminal receives the encrypted Apple Pay token and other information from the user device via the NFC link and the EMV communications protocol. The encrypted Apple Pay token and other information will be used to make the potential purchase. Before the merchant device can receive this payment data, the user must confirm payment and be authenticated by interacting with the user device using face ID, touch ID or the device passcode. Once the user is authenticated the user device retrieves the encrypted Apple Pay token and other information from memory in the user device.

XIII. JURY DEMAND

60. Monticello demands a jury trial on all issues so triable.

XIV. PRAYER FOR RELIEF

WHEREFORE, Plaintiff Monticello respectfully requests the following relief:

- A. For an order finding that the Asserted Patents are valid and enforceable;
- B. For an order finding that Defendants have infringed the Asserted Patents directly, by inducement and/or contributorily, in violation of 35 U.S.C. § 271;

- C. For an order finding that Defendants' infringement is willful;
- D. For an order awarding Monticello general and/or specific damages adequate to compensate it for the infringement by Defendants, including at least a reasonable royalty, in an amount to be fixed by the Court in accordance with proof, including enhanced and/or exemplary damages, as appropriate;
- E. Judgment that this is an exceptional case under 35 U.S.C. § 285 and awarding Monticello its reasonable attorneys' fees; and
- F. For an order awarding Monticello prejudgment and post-judgment interest, costs and other expenses; and
- G. Such other and further relief as the Court may deem to be just and proper.

Dated: November 9, 2023

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