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

## ADVANCED TRANSACTIONS, LLC,

Plaintiff,

v.

Case No. 6:24-cv-00165

CRUNCH, LLC, CRUNCH FRANCHISING, LLC, CRUNCH HOLDINGS, LLC, and CRUNCH IP HOLDINGS, LLC, Jury Trial Demanded

Defendants.

# **COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Advanced Transactions, LLC ("Advanced Transactions") files this

Complaint against Crunch, LLC., Crunch Franchising, LLC, Crunch Holdings, LLC, and

Crunch IP Holdings, LLC, for patent infringement of United States Patent Nos.

7,065,555; 7,386,594; 7,693,950; 7,979,057; 8,150,736; 8,175,519; 9,747,608; and 10,783,529

(the "patents-in-suit"), and alleges as follows:

# NATURE OF THE ACTION

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1 *et seq*.

# THE PARTIES

2. Advanced Transactions is a limited liability company organized under laws of the State of Georgia with its principal place of business situated at the Day Building, Suite 230, 4725 Peachtree Corners Circle, Peachtree Corners, GA 30092.

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3. On information and belief, defendant Crunch, LLC is a limited liability company organized and existing under the laws of the state of Delaware with a principal place of business at P.O. Box 1918, Old Chelsea Station, New York 10011.

4. On information and belief, Crunch, LLC may be served with process through its registered agent, Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 190808 or anywhere it may be found.

5. On information and belief, defendant Crunch Franchising, LLC is a limited liability company organized and existing under the laws of the state of Delaware with a principal place of business at 1109 Second Avenue, New York, New York 10022.

6. On information and belief, Crunch Franchising, LLC may be served with process through its registered agent, Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 or anywhere it may be found.

7. Crunch Franchising, LLC has been authorized to do business in the State of Texas and the Western District of Texas, under Texas Taxpayer Number 12710234852.

8. On information and belief, defendant Crunch Holdings, LLC is a limited liability company organized and existing under the laws of the state of Delaware with a principal place of business at 386 Park Avenue South, Floor 15, New York, New York 10016.

9. On information and belief, Crunch Holdings, LLC may be served with process through its registered agent, Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 or anywhere it may be found.

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10. Crunch Holdings, LLC has been authorized to do business in the State of Texas and the Western District of Texas, under Texas Taxpayer Number 32047376390.

11. On information and belief, defendant Crunch IP Holdings, LLC is a limited liability company organized and existing under the laws of the state of Delaware with a principal place of business at 22 West 22<sup>nd</sup> Street, New York, New York 10010.

12. On information and belief, Crunch IP Holdings, LLC may be served with process through its registered agent, Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 or anywhere it may be found.

13. On information and belief, Crunch, LLC, Crunch Franchising, LLC, Crunch Holdings, LLC, and Crunch IP Holdings, LLC (hereinafter collectively "Crunch" or "Defendants") sell and offer to sell products and services throughout Texas, including in this judicial district, as well as throughout the United States, and introduces products and services that perform infringing processes into the stream of commerce knowing that they would be used, offered for sale, or sold in this judicial district and elsewhere in the United States.

14. On information and belief, Crunch has made, used, offered to sell and/or sold products and services, including the following specifically accused products and

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services: (1) Crunch Marketing Emails;<sup>1</sup> (2) Crunch Mobile Apps;<sup>2</sup> (3) the Crunch website;<sup>3</sup> (4) Crunch online shopping services; <sup>4</sup> (5) Crunch in-store shopping services;<sup>5</sup> (6) Crunch Rewards;<sup>6</sup> (7) current or legacy products or services, which use, or have used, one or more of the foregoing products and services as a component product or component service; (8) combinations of products and/or services comprising, in whole or in part, two or more of the foregoing products and services; and (9) all other current or legacy products and services imported, made, used, sold, or offered for sale by Crunch that operate, or have operated in a substantially similar manner as the abovelisted products and services. (As used herein, one or more of the forgoing products and services are individually and collectively referred to as the accused "Crunch Marketing Products and Services").

15. On information and belief, Crunch, as well as the hardware and software components comprising the Crunch Marketing Products and Services and/or that

<sup>5</sup> See, e.g., https://www.crunch.com/locations/waco.

<sup>&</sup>lt;sup>1</sup> See https://www.crunch.com/privacy-policy.

<sup>&</sup>lt;sup>2</sup> See e.g., https://apps.apple.com/us/app/crunchfitness/id398210959?platform=iphone and https://play.google.com/store/apps/details?id=com.ideawork.icrunch and https://info.crunch.com/crunchtimeactiverewards-getstarted and https://apps.apple.com/us/app/id1478112480.

<sup>&</sup>lt;sup>3</sup> See https://www.crunch.com/.

<sup>&</sup>lt;sup>4</sup> *See* https://www.crunch.com/join?club=waco&plan=Base&payment\_type=Monthly.

<sup>&</sup>lt;sup>6</sup> See, e.g., https://members.crunch.com/members/sign\_in.

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enable the Crunch Marketing Products and Services to operate, including but not limited to servers, server software, webserver software, webserver hardware, email server hardware, email server software, website client software, mobile computing device client application software, networked communications hardware, network routers, network switches, network hubs, WIFI access point hardware, WIFI access point software, point-of-sale hardware, point-of-sale software, back-end hardware, back-end software, cloud-based software, cloud-based hardware, and other hardware and software computing systems and components (individually and collectively referred to herein as the accused "Crunch Marketing System"), infringes (literally and/or under the doctrine of equivalents) at least one claim of each of the patents-insuit.

#### JURISDICTION AND VENUE

16. This Court has personal jurisdiction over Crunch because it committed and continues to commit acts of infringement in this judicial district in violation of 35 U.S.C. §§ 271(a). In particular, on information and belief, Crunch has made, used, offered to sell access to, and/or sold access to the accused Crunch Marketing Products and Services in the Western District of Texas, and has made, used, offered to sell access to, and/or sold access to the Crunch Marketing System in the Western District of Texas.

17. On information and belief, Crunch is subject to the Court's jurisdiction because it regularly conducts and solicits business, or otherwise engages in other persistent courses of conduct in this judicial district, and/or derives substantial revenue from the use, sale, and distribution of goods and services, including but not limited to

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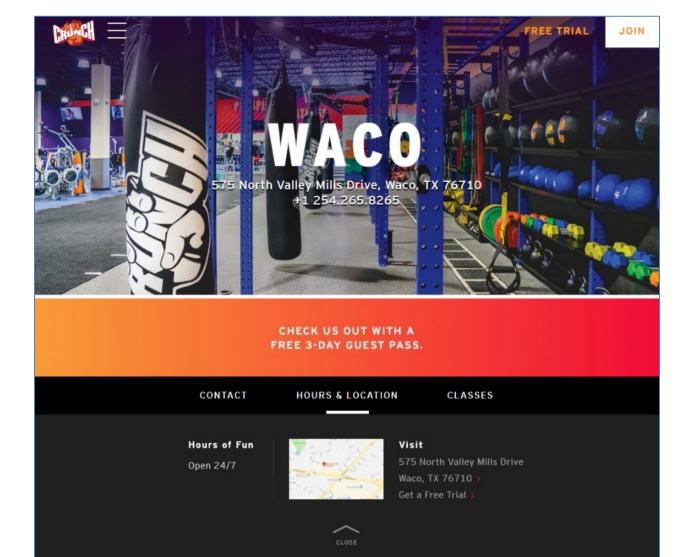
the accused Crunch Marketing Products and Services provided to individuals and businesses in the Western District of Texas.

18. On information and belief, Crunch infringes the patent-in-suit in the Western District of Texas, at least, by making, using, offering to sell access to, and/or selling access to the accused Crunch Marketing Products and Services in the Western District of Texas, and its making, use, offering to sell access to, and/or selling access to the Crunch Marketing System.

19. On information and belief, Crunch is a U.S.-based brand of over 400 franchised and corporate owned fitness clubs operating under the Crunch Fitness and Crunch Signature brands with 225 stores across 40 states and Canada and online at Crunch.com and Crunch.ca. *See* https://www.crunch.com/locations.

20. Indeed, on information and belief, Crunch operates at least 24 fitness centers in the State of Texas alone, *see* https://www.crunch.com/locations, with retail stores throughout this judicial district, including in Waco, Temple, El Paso, Killeen, San

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Angelo, San Antonio, Midland, and Odessa, among others.

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21. On information and belief, the accused Crunch Marketing Products and Services and/or the Crunch Marketing System are made, used, sold and offered for sale by Crunch, or its agents, at Crunch retail stores, including those retail stores located in the Western District of Texas.

22. On information and belief, Crunch customers located in the Western District of Texas have obtained access to and used the accused Crunch Marketing Products and Services and/or the Crunch Marketing System while located in the Western District of Texas.

23. The Court has personal jurisdiction over Crunch at least because it has continuous business contacts in the State of Texas and in the Western District of Texas; Crunch has engaged in business activities including transacting business in the Western District of Texas and purposefully directing its business activities, including the sale or offer for sale of the Crunch Marketing Products and Services to the Western District of Texas to aid, abet, or contribute to the infringement of third parties in the Western District of Texas.

24. This Court has personal jurisdiction over Crunch because, *inter alia*, Crunch, on information and belief: (1) has committed acts of patent infringement in this Western District of Texas; (2) maintains a regular and established place of business in the Western District of Texas; (3) has substantial, continuous, and systematic contacts with this State and the Western District of Texas; (4) owns, manages, and operates facilities in this State and the Western District of Texas; (5) enjoys substantial income from its operations and sales in this State and the Western District of Texas; (6) employs

Texas residents in this State and the Western District of Texas, and (7) solicits business using the Crunch Marketing Products and Services and Crunch Marketing System in this State and the Western District of Texas.

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25. Venue is proper pursuant to 28 U.S.C. §§ 1391(b), (c), (d) and/or 1400(b) and the Federal Circuit's decision in *In re Monolithic Power Sys.*, 50 F.4th 157 (Fed. Cir. 2022), at least because Defendant has multiple employees based out of this district as listed on LinkedIn, has transacted business in this district, and has directly committed acts of patent infringement in this district.

#### United States Patent No. 7,065,555

26. On June 20, 2006, the USPTO duly and legally issued United States Patent No. 7,065,555 ("the '555 patent") entitled "System and Method Related to Generating and Tracking an Email Campaign" to inventors Michael G. Foulger, Thomas R. Chipperfield, Jeremy S. Cooper, and Andrew C. Storms.

27. The '555 patent is presumed valid under 35 U.S.C. § 282.

28. Advanced Transactions owns all rights, title, and interest in the '555 patent.

29. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '555 patent.

30. The '555 patent relates to, among other things, a method and system for generating and tracking an email campaign.

31. The claimed invention(s) of the '555 patent sought to solve problems with, and improve upon, existing marketing and market research and analysis systems. For example, the '555 patent states:

The ability to market a product or service to individuals who are accessible on the Internet is becoming increasingly important. Effective ways of contacting these

individuals are being sought. For instance, to market to these individuals, email may be sent to the individuals over the Internet, to provide information related to the product or service. Email systems exist today for sending email to a target set of email addresses for purposes such as marketing, information acquisition, and otherwise. A system for sending email to a number of email targets for such purposes may be called an email campaign.

Present email campaigns may suffer from difficulties in locating a pool of relevant individuals to be contacted. In a small email campaign, each email sent is critical to the success of the campaign, and needs to be carefully created. In other situations, large numbers of individuals to be contacted may have been found. This may result in increased difficulty in tailoring the large number of required email messages to the individuals for more effective contact.

Furthermore, once an email campaign has been initiated, difficulties in measuring success of the email campaign are presented. Effective ways for determining whether email recipients have received email from the email campaign have been sought. Also, effective ways for allowing the email recipients to provide feedback have also been sought. It may be desirable for the email recipients to be able to respond with feedback, and for the quantity and content of the responses to be monitored and tracked.

See '555 Specification at col. 1, ll. 15-43.

32. The '555 patent then states:

In light of the foregoing, what is needed is an efficient way to create and track a email campaign.

See '555 Specification at col. 1, ll. 44-45.

33. The invention(s) claimed in the '555 patent solves various technological

problems inherent in the then-existing existing marketing and market research and

analysis systems to, among other things, function more efficiently.

# United States Patent No. 7,386,594

34. On June 10, 2008, the USPTO duly and legally issued United States Patent

No. 7,386,594 ("the '594 patent") entitled "System and method related to generating an

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email campaign" to inventors Michael G. Foulger, Thomas R. Chipperfield, Jeremy S. Cooper, and Andrew C. Storms.

35. The '594 patent is presumed valid under 35 U.S.C. § 282.

36. Advanced Transactions owns all rights, title, and interest in the '594 patent.

37. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '594 patent.

38. The '594 patent relates to, among other things, a method and system for generating an email campaign.

39. The specification of the '594 patent is the same as the '555 patent specification, and solves the problems recited above and described in the '555 patent specification.

#### United States Patent No. 7,693,950

40. On April 6, 2010, the USPTO duly and legally issued United States Patent No. 7,693,950 ("the '950 patent") entitled "System and Method Related to Generating and Tracking an Email Campaign" to inventors Michael G. Foulger, Thomas R. Chipperfield, Jeremy S. Cooper, and Andrew C. Storms.

41. The '950 patent is presumed valid under 35 U.S.C. § 282.

42. Advanced Transactions owns all rights, title, and interest in the '950 patent.

43. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '950 patent.

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44. The '950 patent relates to, among other things, a method and system for generating and tracking an email campaign.

45. The specification of the '950 patent is the same as the '555 patent specification, and solves the problems recited above and described in the '555 patent specification.

## United States Patent No. 7,979,057

46. On July 12, 2011, the USPTO duly and legally issued United States Patent No. 7,979,057 ("the '057 patent") entitled "Third-Party Provider Method and System" to inventors Luis M. Ortiz and Kermit D. Lopez.

47. The '057 patent is presumed valid under 35 U.S.C. § 282.

48. Advanced Transactions owns all rights, title, and interest in the '057 patent.

49. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '057 patent.

50. The '057 patent relates to, among other things, novel marketing and commercial transaction systems.

51. The claimed invention(s) of the '057 patent sought to solve problems with, and improve upon, existing marketing and merchandizing systems. For example, the '057 patent states:

The present invention is generally related to electronic hand held devices (hereinafter referred to as "hand held devices") and electronic commerce ("E-commerce"). The present invention is also related to hand held devices, such as a Personal Digital Assistant (PDA), wireless telephone, pager, or other mobile computing and storage device adapted for use in E-commerce. The present

invention is also related to wireless and wireline computer networks. The present invention is additionally related to the fields of electronic cash, credit, award, incentive, and/or product management usable with/for retail establishments, organizations, and customers. The present invention is also related to merchandising systems and systems for generating and redeeming negotiable economic credits and/or data (e.g., electro[nic] product discount coupons and other negotiable economic credits, such as enterprise awards, cash, credit, etc.).

See '057 Specification at col. 1, ll. 18-33.

52. The '057 patent then states:

The recent shift in the consumer electronics industry from an emphasis on analog technology to a preference for digital technology is largely based on the fact that the former generally limits the user to a role of a passive recipient of information, while the latter is interactive and allows the user to control what, when, and how he or she receives and manipulates certain information.

This shift in focus has resulted in the development and increasingly widespread use of, for example, a hand held digital device generically referred to as a "personal digital assistant" (PDA). These hand held devices are becoming increasingly popular for storing and maintaining information. Hand held devices, such as PDAs, may be connected to a desktop personal computer, networks or other PDAs via infrared, direct wire, or wireless communication links.

See '057 Specification at col. 1, ll. 35-49.

53. The '057 patent then states:

PDAs are increasingly being utilized to access information from remote computer networks, such as the "World Wide Web" and the "Internet," both terms well known in the computer networking arts. PDA users can, for example, download e-mail from the Internet to the PDA. Web sites also exist that permit PDA users to access and download software that may be run on the PDA. For example, some web sites offer information to PDAs in the form of compressed news articles, stock quotes, and other data obtained from a wide variety of other electronic web-based sources.

Based on the foregoing, it can be appreciated that a large number of users of hand held devices, such as PDAs, pagers and mobile telephony are increasingly relying on such devices to maintain and transmit a variety of personal and business information. See '057 Specification at col. 2, ll. 13-27.

54. The '057 patent then states:

Discount coupons have long been distributed by manufacturers to merchandise their products and by retail stores or establishments to attract consumers to their particular stores. Discount coupons are a type of negotiable economic credit frequently utilized by enterprises for marketing products and services to the public. Enterprise awards, such as frequent flyer miles, are also negotiable economic credits relied upon by enterprises for marketing purposes.

Coupons are typically distributed to attract customers to engage in commercial transactions. Such coupons are effective if utilized by a sufficiently high percentage of customers. Utilizing this gauge, free-standing inserts are not very effective. Their redemption rate is presently approximately 2.8 percent and dropping.

Typically, coupons are physically collected at stores and credit is provided to the customer purchasing the corresponding product. The coupons are generally bundled and forwarded to a clearing house and then to a redemption center for sorting and counting. Reports are eventually forwarded to the manufacturers issuing the coupons in order to eventually generate a credit to the stores redeeming the coupons. It may unfortunately take several months before a store is reimbursed for coupons under present coupon redemption/processing methods.

Another problem with coupons is a significant misredemption rate of between 20 and 30 percent as a result of misidentification and outright fraud. The misredemption problem is exacerbated by the enormous amount of time, usually a number of months, that it takes to reimburse the retail stores for the discount given the customer.

*See* '057 Specification at col. 2, 11. 28-57.

55. The '057 patent then states:

Attempts have been made to address such problems. Such attempts, however, have resulted in additional problems, while not fully addressing the problems described above. For example, some companies have implemented a product specific micro-marketing system tied to a product point of selection and proprietary hardware in the form of an alerting platform attached to a grocery cart. A consumer within a retail establishment presses a button on the grocery cart

alerting platform to select an electronic coupon when a coupon is graphically displayed at the exact product location within the retail establishment. The customer and the cart must be located at the point of selection to access the coupon. Such a micro-marketing system is proprietary in nature and requires a customer to retrieve a coupon only from the point of selection within the store. Thus, because of the proprietary nature of the system, the coupons, the alerting platform and other proprietary hardware cannot be utilized at other retail establishments. Further, the enterprise associated with the retail establishment is burdened by the maintenance, replacement, and repair of the proprietary hardware attached to the retail establishment's shopping carts due to use, abuse, the weather and so forth. Other systems known in the art utilize smart cards and card readers/writers at point of product selection for obtaining coupon data. Such systems, however, force the user to retrieve data at the point of product selection), thereby tying their shopping activities to a proprietary system.

Accordingly, alternatives are needed to traditional mass marketing and couponing techniques, and proprietary, point of selection type systems. A need exists for non-, or solely-, proprietary, based systems that are flexible, efficient and consumer friendly. Further a need exists for credit devices that are not completely owned by the enterprise or retail establishment, but owned by the customers themselves and which can be utilized at other retail establishments and enterprises. Such a device and associated systems and methods, should be ubiquitous in nature to avoid the problems inherently associated with prior micro-marketing systems.

It has become apparent to the present inventors that the ability to acquire, store and use negotiable economic credits, such as coupons, on hand held devices would free users of the time consuming tasks of clipping, organizing and redeeming traditional paper coupons or credits (*e.g.*, frequent flier redemption via paper-based request), and the problems associated with proprietary micromarketing systems. It has also become apparent to the present inventors that for merchandisers and manufacturers, such hand held devices could be utilized to effectively market, compile and negotiate credit exchanges/redemption much more efficiently than the traditional paper processing methods or proprietarybased micro-marketing systems and methods.

See '057 Specification at col. 2, l. 58 - col. 3, 1 43.

56. The '057 patent then states:

It is believed that aspects of the invention presently described herein solve the traditional problems associated with negotiable economic credits, including coupons, cash, credit and enterprise awards, and the problems associated with proprietary-based marketing systems thereof, while addressing an area of user

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control that has not yet been considered, anticipated, or utilized by coupon/credit merchandisers and manufacturers, namely, the increasing number of individuals who rely on hand held devices, such as PDAs, to maintain and store personal and business information.

See '057 Specification at col. 3, ll. 44–53.

57. The invention(s) claimed in the '057 patent solves various technological problems inherent in the then-existing marketing and merchandizing systems to, among other things, (1) function more efficiently, (2) allow customers to become more actively engaged in retail marketing campaigns, (3) reduce the complexity, costs, and other problems associated with prior art marketing and merchandizing systems, (4) improve the security inherent in prior art marketing and merchandizing systems, and (5) improve accessibility and adoption of marketing and merchandizing systems over prior art marketing and merchandizing systems.

#### United States Patent No. 8,150,736

58. On April 3, 2012, the USPTO duly and legally issued United States Patent No. 8,150,736 ("the '736 patent") entitled "Global Electronic Commerce System" to inventors Michel Horn and Thomas Scott Manaugh.

59. The '736 patent is presumed valid under 35 U.S.C. § 282.

60. Advanced Transactions owns all rights, title, and interest in the '736 patent.

61. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '736 patent.

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62. The '736 patent relates to, among other things, a novel electronic shopping

system.

63. The claimed invention(s) of the '736 patent sought to solve problems with,

and improve upon, existing electronic shopping systems. For example, the '736 patent

states:

The field of this invention is global sale of products and services using electronic means of (a) communications, (b) data storage and retrieval, (c) taking of orders, (d) fulfillment, (e) transfers of payments, and (f) providing customer service after the sale. Both business-to-business and business-to-consumer sales are effectuated.

See '736 Specification at col. 1, ll. 21-26.

64. The '736 patent then states:

The present invention is a system for use by even small manufacturers to meet a long-felt need to sell their products to Buyers around the world. The term "manufacturers" is meant to include manufacturers or authorized distributors for manufacturers; and the term "Buyers" is meant to include both individuals and organizations, including other manufacturers.

A complete system, termed a Global Store, is disclosed, a system that overcomes barriers to global trade of language, culture, and nationality. The Global Store integrates communications and database software technologies, hardware infrastructure, and operating methods to market and sell products from manufacturers around the globe to Buyers in a multitude of locales around the globe. Stated another way, The Global Store assembles and operates various subsystems to provide the infrastructure for manufacturers to use a new channel of global commerce, a Virtual Channel.

See '736 Specification at col. 1, ll. 27-43.

65. The '736 patent then states:

A confluence of recognized needs and new technologies now sets the stage for a revolutionary change in how manufacturers bring their products to markets around the world.

Advances in communications and information technology and their associated standards have made geography a much less salient factor in trade than in prior years. Electronic communications at the speed of light enables one to purchase a product on the other side of the world as quickly as across the street – even more quickly should one decide to walk across that street to make the purchase. Furthermore, increasing use of English as a *de facto* language of commerce and increasing access to good, real-time translation technology will inevitably lower language barriers.

The Global Store system, described here, is a method that integrates revolutionary and evolutionary developments into a new system of global trade in the Virtual Channel. Only in the very recent past have the following compelling trends and powerful developments conjoined to permit the construction and operation of a complete and integrated system of global trade to meet long-felt needs:

- 1) a quickly growing population of Internet users around the world who are ready to shop online 24 hours per day and 365 days per year,
- 2) Websites to provide specialized functions such as online payments, online currency conversion tables, universal tax tables, and parcel tracking,
- 3) third-party fulfillment services to support regional and global distribution,
- 4) "pull" online marketing that allows customers greater opportunities to customize the products they purchase, as compared with the "push" marketing of ready-made products that is characteristic of brick-andmortar retail channels,
- 5) international agreements to eliminate tariffs on imports,
- 6) globalization of sources of supply,
- 7) efficiencies and economies of scale resulting from consolidation of marketing functions across markets,
- 8) establishment of ubiquitous delivery services,
- 9) availability of escrow services to assuage concerns of online Buyers about completing purchases after shopping baskets are filled,
- 10) growth in telecommuting to work and in home-based internet businesses, allowing participants to avoid driving and, thereby, less occasion to stop at brick-and-mortar stores to shop,

- 11) increased global travel and increased access to information from around the world using wide-band communications, thereby increasing interest in products from far-away locales,
- 12) consolidation of warehousing and distribution centers for quicker and more efficient fulfillment of orders,
- 13) manufacturers' need to retain brand control by offering increasing levels of customer support from a single point,
- 14) technology to implement Web-based multi-language global marketing systems using newly invoked international standards, locale-specific stored SQL procedures, integrated multi-locale Web-based relational data bases, and Unicode, and
- 15) integration of manufacturers' Business-to-Consumer sales with their Business-to-Business strategies for procuring supplies, offering a means to couple direct online customer sales with procurements, thus completing the transition to a completely integrated "Pull" model: A custom product is created to satisfy a Buyer's needs, and suppliers are enabled to provide necessary Business-to-Business products and services on a timely basis.

*See* '736 Specification at col. 2, l. 16 - col. 3, l. 17.

66. The '736 patent then states:

Pent-up pressures for globalization have produced numerous examples of conventional e-commerce businesses attempting to expand globally. These businesses generally meet the challenge to provide information in multiple languages and across cultures by cloning Websites from one locale to another – reproducing some of the design of the original Website and some of the content. This multi-headed e-commerce approach is a crude interim step that fails to meet the emerging needs of manufacturers who desire global sales. Loss of the efficiencies and economies of a truly global approach make the prices of their products less competitive than should be possible, and there is the additional problem of entering and maintaining current and accurate information across multiple databases.

In conventional e-commerce it is not uncommon for the unscrupulous to sell brand name goods through Websites when they are not authorized to do so. In response, manufacturers desire to maintain better control of prices, marketing information about their products, sales, fulfillment, and customer service—all in a global context and, ideally, from a single integrated site.

Buyers are reluctant to make international purchases when they fear that they will have no practical recourse if they pay for a product but either do not receive it or find the product is not acceptable. What is needed for a hesitant Buyer is an escrow service that will complete settlement only after the product has been successfully delivered and the Buyer is satisfied.

Many conventional e-commerce Websites have sought to sell products globally, but few if any have made a serious commitment to globalization by providing good translations in multiple languages. (So far, machine translations are so lacking in accuracy and idiomatic expression that they are likely to inspire mirth rather than confidence in a Buyer.) Furthermore, no site offers products of a multitude of manufacturers along with customer support across more than one language, support that is needed for Buyers to be well informed about international shipping, duties, warranties, currency conversion, repair centers, and other issues important to Buyers.

Conventionally, for both e-commerce and brick-and-mortar businesses, separate databases are established to support production, marketing, sales, and accounting. Information changes in one business database often are not reflected in all of the other databases. Further information vital to a customer, such as parcel tracking, would require leaving the e-commerce site to access such a service on yet another system. Customer support is critically lacking in brick-and-mortar businesses and also is missing in most e-commerce businesses. What is missing is the ability to place in the hands of the customer the ability to go to a single location and, interactively, to obtain an answer to a question pertaining to a product or to an order.

Departing from conventional e-commerce approaches, the ideal e-commerce model, from the manufacturers' viewpoint, is to sell globally using a system allowing

- 1) a single database of product descriptions in common format to be translated for Buyers across different languages,
- 2) Buyers to come to a single, authorized Global Store with a single Web URL address,
- 3) global sales across many locales using an information system operating in a multitude of languages to provide product information assembled for each specific locale,

- 4) a generalized, reliable approach to shipping, currency conversion, settlements, and customer support,
- 5) global sales without losing brand control,
- 6) minimal delays in bringing new products to market or old products to new markets,
- 7) the manufacturer to take orders for custom-made products, using a "pull" method,
- 8) fulfillment from a plurality of strategically-located fulfillment centers around the Globe, and
- 9) Buyers to get information on the Buyers' transaction history and to find links to manufacturer's support from a single Website.

See '736 Specification at col. 3, l. 18 - col. 4, l. 26.

67. The '736 patent then states:

The Global Store system uses a multi-version database to provide a new way of providing language/locale-specific marketing information and sales of products to Buyers around the globe. Prior art, as seen in patents cited below, provide opportunities for Buyers to (a) view a product and be referred to a seller or (b) view and purchase a product over the Internet, with or without use of a referrer Website. However, no prior art takes advantage of (a) multi-version, locale-specific innovations in marketing, (b) use of Referral Websites from a multitude of locales, combined with (c) other Ancillary Resources to offer truly global sales over the Internet.

See '736 Specification at col. 4, ll. 51-61.

68. The '736 patent then states:

Prior art has not solved the problem of marketing globally from a single-point. Major players in global e-commerce (*e.g.*, AOL, Yahoo, and Amazon) have adopted a country-by-country or a region-by-region strategy in order to adapt to Buyers' languages and cultures.

In a statement quoted in a Wall Street Journal article, 8/01/2000, a Yahoo executive declared that Yahoo would consider itself unsuccessful if Yahoo were

considered an American company two years from then. Yahoo and other ecommerce companies have discovered that their widely recognized brand names are, in themselves, not sufficient for attracting global e-commerce business. Buyers have been found, however, to be attracted to e-commerce sites that cater to local interests and culture. Stated another way, Buyers are more comfortable and confident about buying from a business they do not perceive as foreign.

Needed is a system to provide culture-sensitive and language-adapted marketing, sales, and customer service content to Buyers, doing so in a way that takes advantage of the efficiencies and economies of using a single point of operations. Prior art, described as follows, fails to meet that criterion:

*See* '736 Specification at col. 4, l. 63 – col. 5, l. 18.

69. The '736 patent then states:

Also disclosed are other innovations not seen in the Wong patent, the Chelliah *et al* patent, or in other prior art:

- (1) a clear and efficient way to categorize products to be displayed to Buyers,
- (2) an order-taking shopping cart subsystem that encourages Buyers to complete a purchase transaction by keeping products selected for purchase in the Buyer's view and by interactively involving the Buyer in a purchasing process, and
- (3) a means to provide comprehensive customer service information from a single convenient point.

Accommodating Buyers using a diversity of languages and additional needed innovations are discussed below in the context of related prior art.

*See* '736 Specification at col. 5, l. 53-67.

70. The '736 patent then states:

By placing marketing information about products in the Global Store with its multi-language, single, logical, searchable database, a manufacturer can engage in marketing efforts worldwide on the Internet in a multitude of different languages and adapted to various cultures and countries. It has become obvious during the past several years that manufacturers around the world need a global marketing method in order to stay competitive and to optimize their profitability. Use of the

Global Store will allow manufacturers advantageously to meet their long felt need to tap into the global market to expand their customer bases, increase sales, and benefit from economies of scale.

Furthermore, use of marketing resources in the Global Store meets the objective for manufacturers to access global marketing efforts without losing control over their marketing—place, presentation, price, promotions, and policies of service. Thereby, manufacturers may build a worldwide brand name based on authentic products, ethical representations, fair prices, and good service to Buyers.

*See* '736 Specification at col. 13, l. 3-22.

71. The '736 patent then states:

Another object of this invention is to provide manufacturers with a much more efficient and responsive feedback mechanism for adjusting marketing and production schedules. For example, immediate feedback that a new line of skis was selling briskly in South America during May would prompt a ski manufacturer to start adding marketing and production resources for the new line's introduction to Buyers in North America in October.

Another object of the Global Store is to provide better controls over quality of products and services. A complete system of controls spans the Virtual Channel from start (adding a manufacturer's product into a global, multi-version product database) to end (the expiration of an escrow period during which a Buyer may request a refund if a delivered product is not satisfactory).

Another object of the Global Store is to help manufacturers satisfy Buyers' needs for customer service. In order to serve as an alternative to use of the Legacy Channel, the Global Store matches and, where possible, exceeds the level of service that Buyers find in the Legacy Channel.

See '736 Specification at col. 13, ll. 23-43.

72. The '736 patent then states:

Another object of this invention is for manufacturers to be able to provide Buyers with adequate information to make buying decisions. Many prospective Buyers will not complete a transaction unless they know not only the cost of the item but also the total price, including shipping fees, *etc.* The present invention overcomes this barrier by providing a comprehensive, integrated system whereby Buyers from all over the world can get complete information about product, price (stated in the Buyer's currency), and delivery prior to making the buying decision.

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Furthermore, the use of a single marketing information database allows the manufacturer easily to control and communicate accurate information about product availability in inventory, service availability, warranties, and return policies.

Another object of this invention is to improve the probability a Buyer will complete a purchase transaction after the Buyer has selected a product for purchase. With conventional art, products are placed in a "shopping cart." Unfortunately, that cart often is later abandoned with no purchase made. The invention disclosed here includes an improved shopping cart design, an improvement that facilitates a Buyer's decision to complete a purchase transaction by

1) establishing immediately an interactive relationship with the Buyer by opening a new frame that shows a shopping cart (titled "Open-Frame Interactive Shopping Cart") and asking the Buyer to answer certain questions that appear in the frame before the Buyer proceeds to checkout or returns to shopping,

2) maintaining interactive contact by with the Buyer by keeping a minimized, restorable shopping cart visible on the Buyer's computer screen during the entire time when the Buyer is viewing products after a product has been selected,

3) providing total costs for a purchase, including shipping charges, immediately after the Buyer has selected a product, and

4) prominently offering the option for the Buyer of making an immediate purchase.

An important advantage here is the immediate assumption that the purchase will be made plus the visual reminder that the Buyer has made a selection and that the product is ready for purchase. This approach overcomes the disadvantage of prior art in which the Buyer is implicitly told that the Buyer need only "think about" completing the purchase "later." That implicit message is poor sales technique. It is best to have the Buyer complete the transaction as soon as possible, before the Buyer forgets about the perceived benefits of the product, gets distracted, or hesitates because of second thoughts.

See '736 Specification at col. 13, l. 57- col. 14, l. 37.

73. The '736 patent then states:

The invention disclosed here includes an efficient universal method of organizing and displaying product categories for selection by Buyers. Using sequential dropdown menus and a clearly organized hierarchy, a Buyer quickly and intuitively navigates among thousands of possible categories of products to select a desired category. The process is easily understood, powerful, and efficient.

See '736 Specification at col. 14, ll. 44-50.

74. The invention(s) claimed in the '736 patent solves various technological problems inherent in the then-existing electronic shopping systems to, among other things, (1) function more efficiently; (2) increase the pool of customers who interact with such systems; (3) overcome barriers to transaction carried out by such systems related to language, culture, and nationality; (4) establish new or improved integrations within such systems related to communications, databases, and hardware subsystems; (5) improve the methods by why such systems market and sell products; (6) help such systems to leverage economies of scale and become more competitive; (7) allow such systems to provide more timely and accurate information; (8) improve the comfort, confidence, and trust amongst customers and potential customers of such systems; (9) streamline and better coordinate the operations of such systems with respect to customer support, marketing, sales, shipping, and accounting; (10) improve brand control within such systems; (11) expand the selection of products available for purchase through such systems; (12) improve the order-taking processes of such systems; (13) accommodate a broader range of customers and potential customers using such systems; (14) increase sales through the use of such systems; (15) improve the quality, organization, and presentation of information accessible to the customers and potential customers of such systems; (16) improve the probability that a customer or

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potential customer will complete a purchase transaction through such systems; and (17) reduce the complexity, costs, and other problems associated with such systems.

#### United States Patent No. 8,175,519

75. On May 8, 2012, the USPTO duly and legally issued United States Patent No. 8,175,519 ("the '519 patent") entitled "Third-Party Provider Method and System" to inventors Luis M. Ortiz and Kermit D. Lopez.

76. The '519 patent is presumed valid under 35 U.S.C. § 282.

77. Advanced Transactions owns all rights, title, and interest in the '519 patent.

78. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '519 patent.

79. The '519 patent relates to, among other things, novel marketing and commercial transaction systems.

80. The specification of the '519 patent is the same as the '057 patent specification and addresses and solves the problems recited above and described in the '057 patent specification.

#### United States Patent No. 9,747,608

81. On August 29, 2017, the USPTO duly and legally issued United States Patent No. 9,747,608 ("the '608 patent") entitled "Third-Party Provider Method and System" to inventors Luis M. Ortiz and Kermit D. Lopez.

82. The '608 patent is presumed valid under 35 U.S.C. § 282.

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83. Advanced Transactions owns all rights, title, and interest in the '608 patent.

84. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '608 patent.

85. The '608 patent relates to, among other things, novel marketing and commercial transaction systems.

86. The specification of the '608 patent is the same as the '057 patent specification and addresses and solves the problems recited above and described in the '057 patent specification.

#### United States Patent No. 10,783,529

87. On September 22, 2020, the USPTO duly and legally issued United States Patent No. 10,783,529 ("the '529 patent") entitled "Third-Party Provider Method and System" to inventors Luis M. Ortiz and Kermit D. Lopez.

88. The '529 patent is presumed valid under 35 U.S.C. § 282.

89. Advanced Transactions owns all rights, title, and interest in the '529 patent.

90. Advanced Transactions has not granted Crunch an approval, an authorization, or a license to the rights under the '529 patent.

91. The '529 patent relates to, among other things, novel marketing and commercial transaction systems.

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92. The specification of the '529 patent is the same as the '057 patent specification and addresses and solves the problems recited above and described in the '057 patent specification.

#### **CRUNCH'S PRIOR KNOWLEDGE OF THE PATENTS-IN-SUIT**

93. On or about February 10, 2023, counsel for Advanced Transactions sent a letter (the "February 2023 Notice Letter") via Federal Express to Ben Midgley in his capacity as Chief Executive Officer and Founding Partner of Crunch Franchising, LLC. The February 2023 Notice Letter was sent to Crunch, along with a draft of the instant Complaint, for the express purpose of acquainting Crunch with Advanced Transactions' patent portfolio, including but not limited to Patents-in-Suit, prior to any enforcement action relating to Crunch's Marketing Products and Services. The February 2023 Notice Letter invited Crunch to participate in discussions regarding a license to allow its continued use of Advanced Transactions' patented technologies.

94. By UPS/email dated February 24, 2023, Anthony J. Bakos II, outside general counsel to Crunch Franchising, LLC, wrote to outside counsel for Advanced Transactions stating, "We are in the process of reviewing the various claims, but as a general proposition we are open to discussing the claims prior to filing of formal litigation."

95. Thereafter, Mr. Bakos engaged in discussions with Advanced Transactions exclusive licensing agent in an effort to reach an amicable settlement including a license to the Advanced Transactions' patent portfolio. Discussion progressed, and at some

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point in or around May 2023, Mr. Bakos advised that Crunch had tendered a claim for indemnification to one of its vendors.

96. By email dated May 31, 2023, Danielle Joseph, on behalf of claims examiner Angela Gautieri of Philadelphia Insurance Companies ("PIC"), wrote to outside counsel for Advanced Transactions advising that PIC was handling a personal injury claim on behalf of Champion Purchaser Holdings, LLC and advised, "Please contact Angela with any questions or concerns."

97. Counsel for Advanced Transaction reached out to Ms. Gautieri the same day and asked if "there is anything I can do to assist in moving the process forward" and pointed out that this was an intellectual property claim and not a personal injury claim. Counsel for Advanced Transactions followed up for months with no response.

98. By email dated October 19, 2023, Angela Gautieri, wrote to outside counsel for Advanced Transactions stating, "Please work with our counsel Joanna Salinas of Fletcher Farley to provide any outstanding information she may have requested."

99. On December 7, 2023, counsel for Advanced Transactions engaged in a telephone conference with Joanna Salinas and discussed an offer to license the patents.

100. On January 3, 2024, counsel for Advanced Transactions followed up via email and on January 29, 2024, Joanna Salinas replied saying "Thank you for following up. I'm working to determine if this modified proposal scope is something my group is willing to consider."

101. On January 31, 2024, counsel for Advanced Transactions informed Joanna Salinas of its position and neither Crunch nor Ms. Salinas has responded further to the follow up emails.

102. Crunch has been aware of the Patents-in-Suit since at least the February 2023 Notice Letter and has continued to willfully infringe, thereby warranting enhanced damages and attorneys fees as set forth more fully below.

#### CLAIMS FOR RELIEF

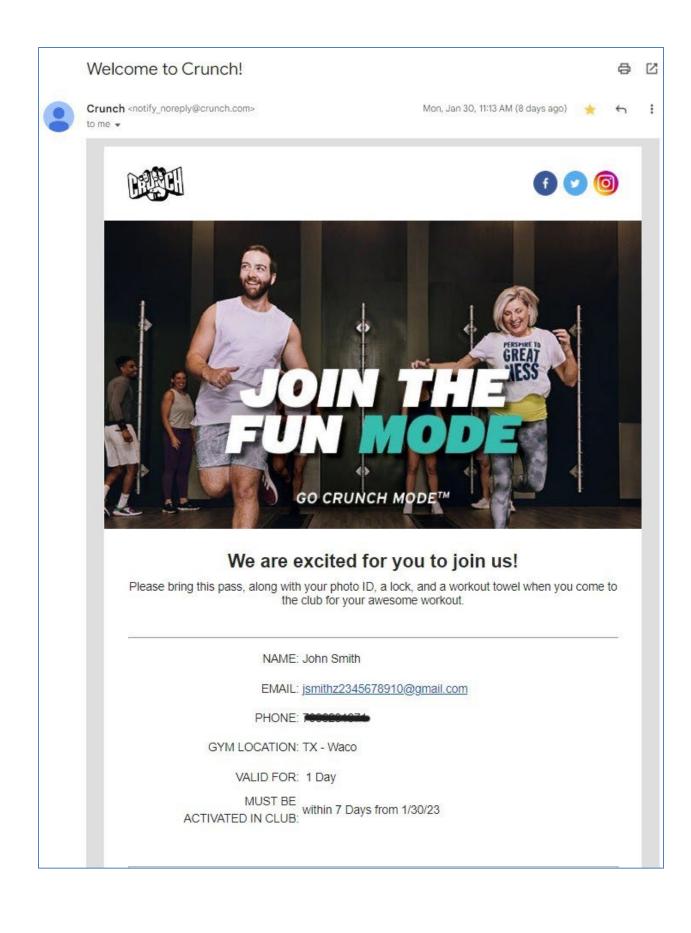
#### Count I – Infringement of United States Patent No. 7,065,555

103. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

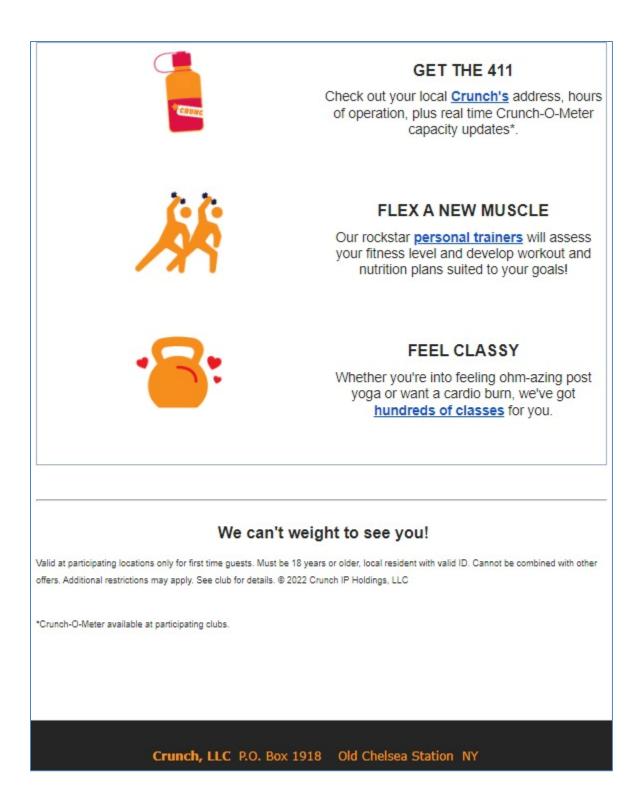
104. On information and belief, Crunch (or those acting on its behalf) made, used, sold, imported and/or offered to sell the Crunch Marketing Products, and Services; and made, used, sold, sold access to, imported, offered to sell and/or offered to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 1 of the '555 patent.

105. On information and belief, one or more components of the Crunch Marketing System, (*e.g.*, an email server operated by Crunch), employs and provides a method for conducting an email campaign.

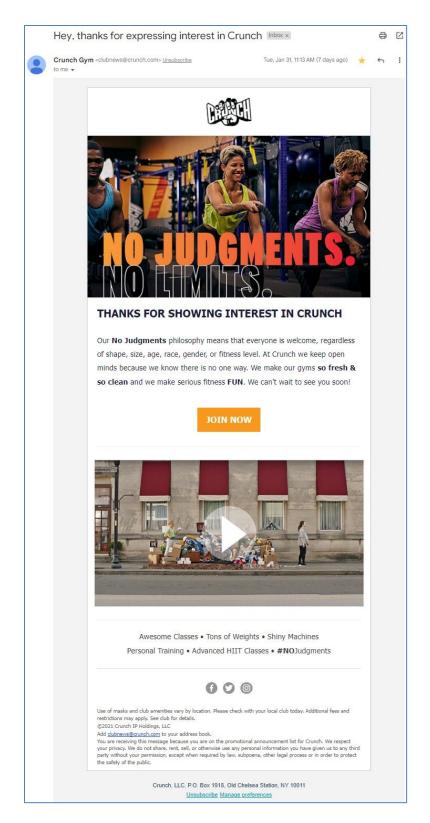
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See e.g., screenshots of personalized emails received from the Crunch email server.



At Crunch we respect your privacy. This privacy policy explains how Crunch, through its website or app, may collect, use, and share information about you. Since this policy may change over time as we modify or expand our services, we suggest that you check from time to time in order to understand how we treat your personal information. Your use of this website and its services constitute your agreement to Crunch using information about you in accordance with this privacy policy.

# I. What information do we collect?

Currently, Crunch.com gathers information from you (such as name, e-mail address, business and/or home address, age, zip code, and travel preferences) strictly for contact purposes when users opt to fill out an e-mail submission form to inquire about our company and about membership. In some cases we ask for other optional information including additional contact information and certain demographic information (such as phone number and gender).

# II. How do we use your information?

We may use your information for purposes, including, to provide and service your Crunch membership, to provide member support, to provide and service the Crunch website and app, to communicate special offers, promotions and information about our company to you via email and/or via text message, and to compile usage statistics and other data regarding the use of the Web site services.

# III. How do we use your email information?

At Crunch we respect your concerns about privacy. We collect email information to provide a more personalized and relevant experience. If you give us your email address when you inquire about membership, request a free trial guest pass, or sign up, we will send you emails about exclusive offers, news at Crunch and new club openings. If you have previously opted out of receiving emails from us, providing updated information will act as an 'opt back-in'. If you want to opt-out of receiving promotional emails, simply click on the unsubscribe link located on the bottom of all of our emails. Although we strive to update our email list as frequently as possible, you might receive another contact before we are able to remove you. Please note that you will continue to receive Member Services related communications as it pertains to your member account. Crunch may use any of your contact information held on file (including Email, Mailing, Phone & Fax) to communicate with you in relation to day to day administrative activities, such as freeze requests, online purchases and important service alerts.

\* \* \*

# VI. Do we use cookies?

We use cookies to enhance your experience on our web site. For example, a cookie enables us to remember the region or specific club page you have visited so the next time you return to our site you do not have to select that club or region again. You can set your Internet browser (like Chrome, Firefox, Safari or Internet Explorer) to warn you every time a cookie is sent, or to turn off all cookies. See your browser's Help menu for these instructions. By disabling your cookies you will not have access to some of the features that enhance your user experience on our site.

# See, e.g., https://www.crunch.com/privacy-policy.

106. On information and belief, one or more components of the Crunch

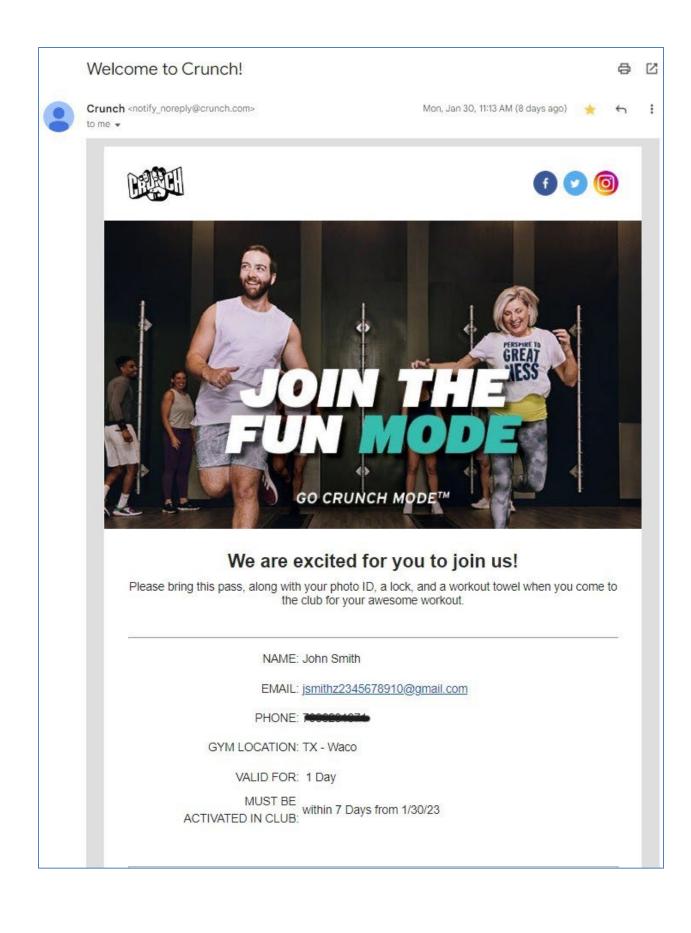
Marketing System employs and provides a method for conducting an email campaign,

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following Privacy Pol	icy   Crunch Fitness Message frequenc	y varies.*				
	Get Started!					

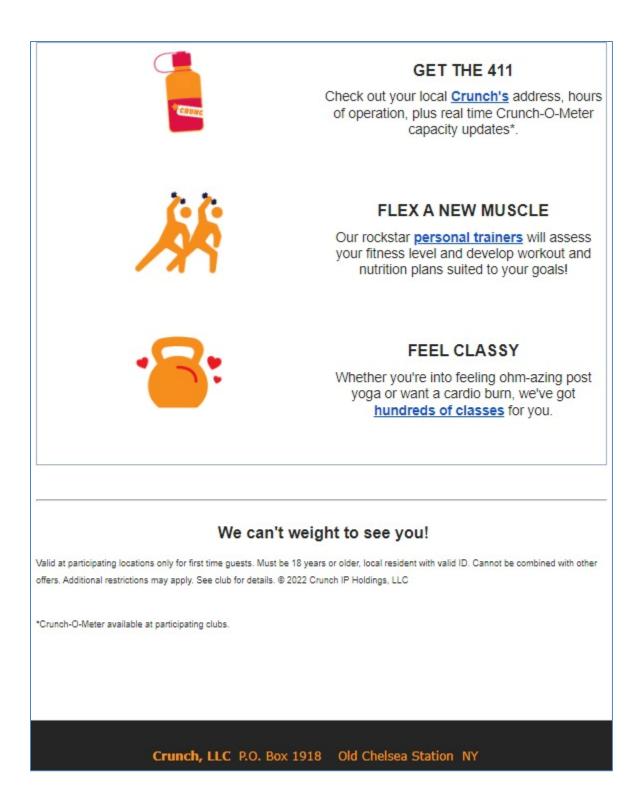
comprising the step of receiving an email target database.

*See e.g.*, https://info.crunch.com/free-trial.

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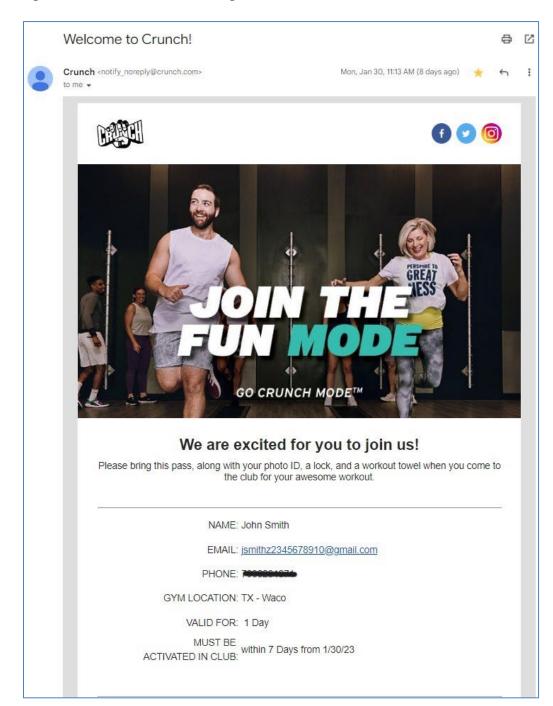


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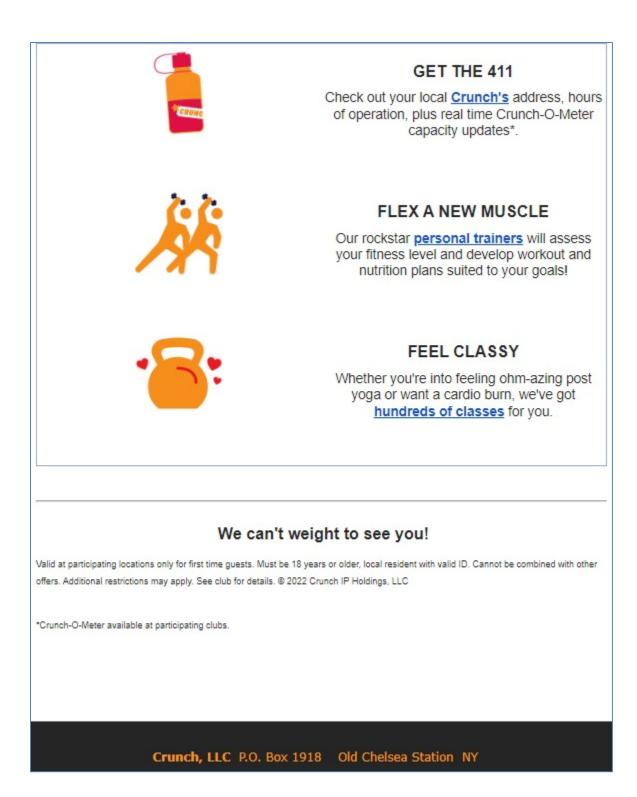


See e.g., screenshots of personalized emails received from the Crunch email server.

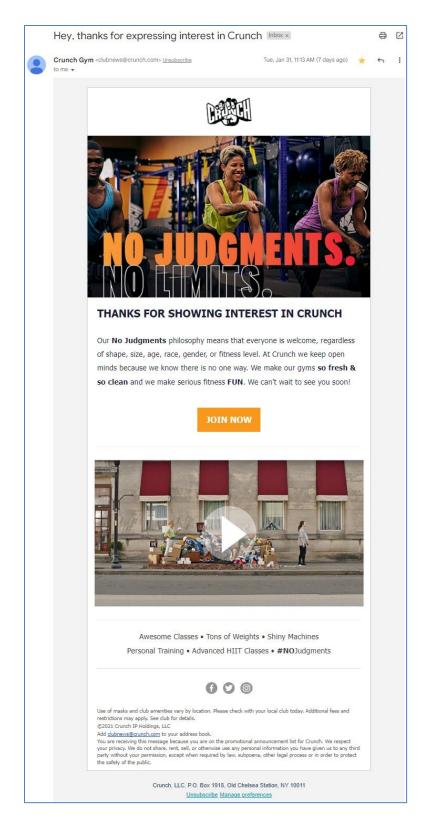
107. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for conducting an email campaign, comprising the step of generating an email campaign template related to at least one email target in the received email target database.



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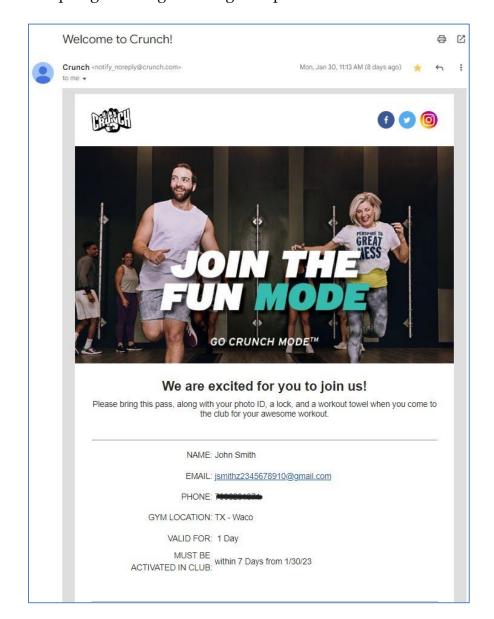
# Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 43 of 242



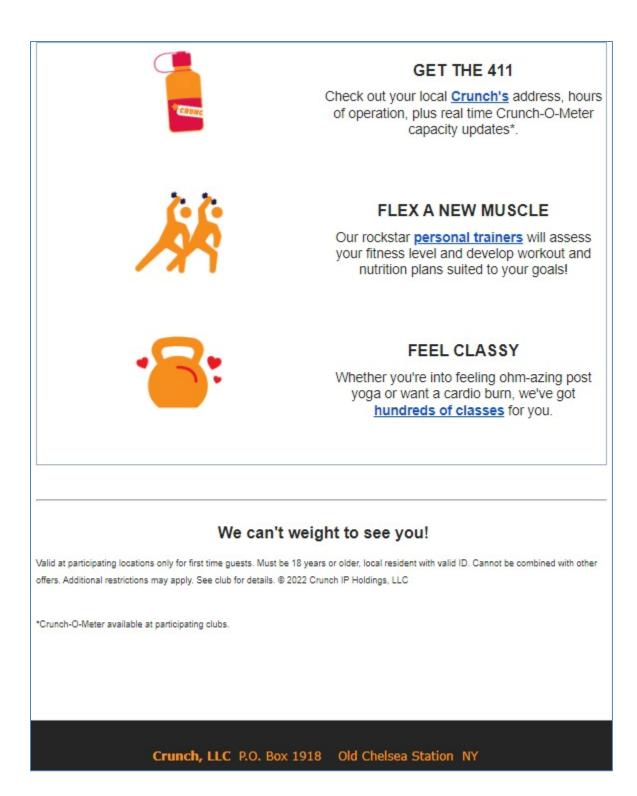
See e.g., screenshots of personalized emails received from the Crunch email server.

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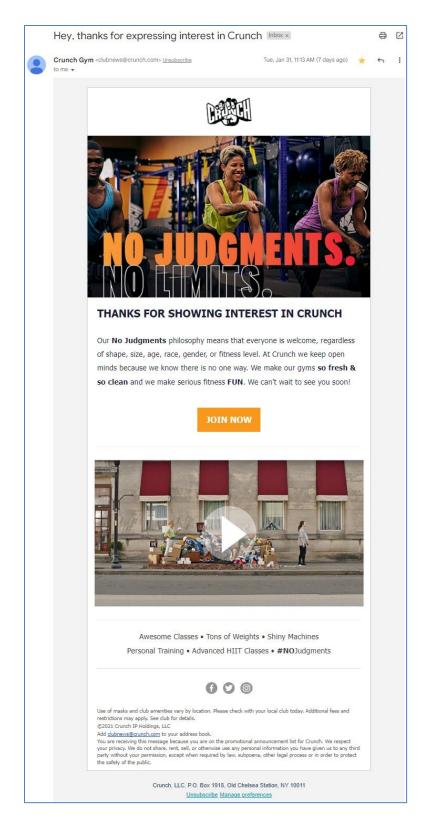
108. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for conducting an email campaign, comprising the step of generating an email campaign template related to at least one email target in the received email target database, wherein the step of generating an email campaign template related to at least one email target in the received email target database comprises the step of generating a message template.



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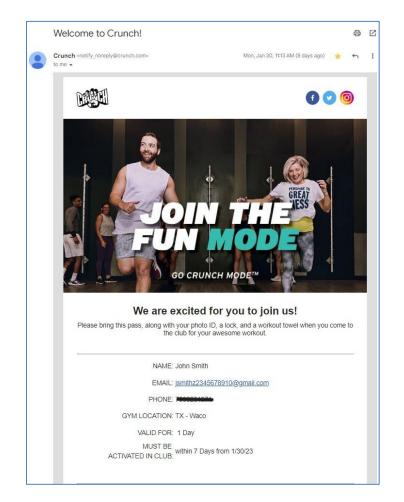
# Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 46 of 242



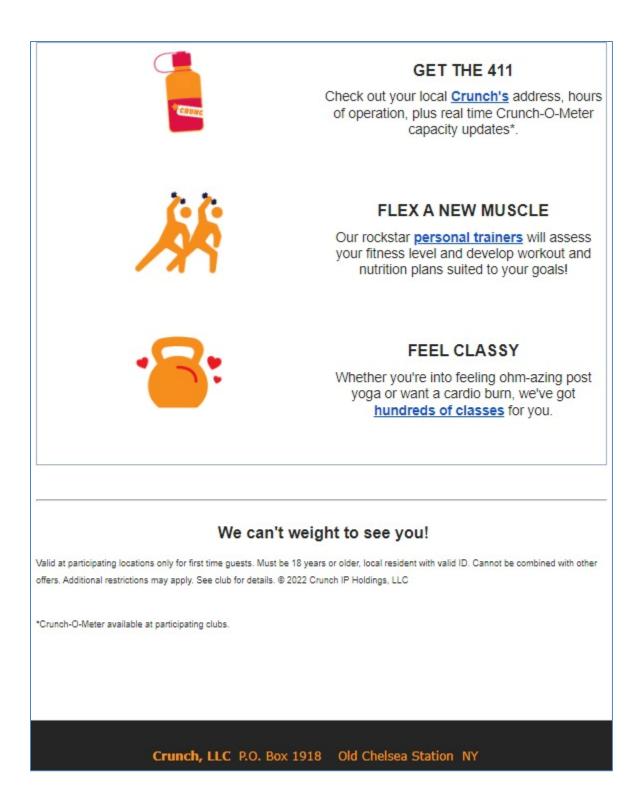
See e.g., screenshots of personalized emails received from the Crunch email server.

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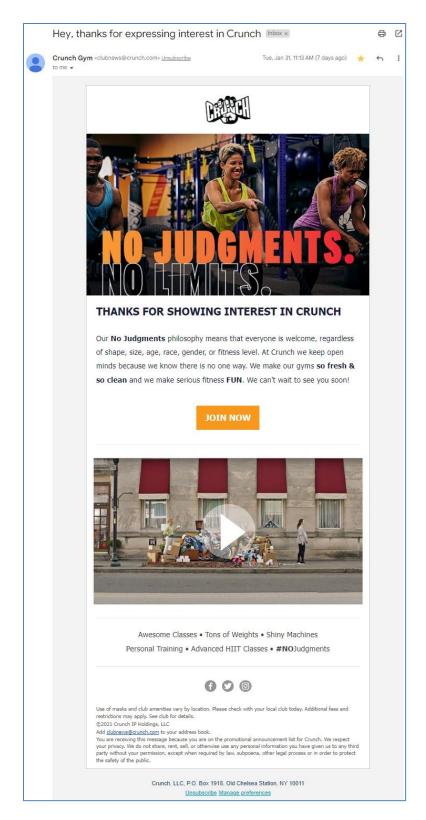
109. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for conducting an email campaign, comprising the step of generating an email campaign template related to at least one email target in the received email target database, wherein the step of generating an email campaign template related to at least one email target in the received email target database comprises the step of generating a configuration file to contain data related to each of the at least one email target, (*e.g.*, images, links, and/or text relating to the intended recipient of the email) wherein the data is insertable in the generated message template.



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*See e.g.,* screenshots of personalized emails received from the Crunch email server. *See also* code excerpts from the same emails:

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VW1xZd96Hv-cVTTr= Vd7MKXW5W7-75Mp4WqG4dW7dHCf73D5pTc112" alt=3D"" width=3D"1" height=3D"1" bo= rder=3D"0" style=3D"display:none!important;min-height:1px!important;width:1= px!important;border-width:0!important;margin-top:0!important;margin-bottom:= 0!important;margin-right:0!important;margin-left:0!important;padding-top:0!= important;padding-bottom:0!important;padding-right:0!important;padding-left= :0!important"></body></html>

and

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VWMth02TxqM1W2kj= q7v5fj4vXW1n-N734WsPR3W4KxWwm3D5pTc112" alt=3D"" width=3D"1" height=3D"1" b= order=3D"0" style=3D"display:none!important;min-height:1px!important;width:= 1px!important;border-width:0!important;margin-top:0!important;margin-bottom= :0!important;margin-right:0!important;margin-left:0!important;padding-top:0= !important;padding-bottom:0!important;padding-right:0!important;padding-lef= t:0!important"></body></html>

110. On information and belief, one or more components of the Crunch

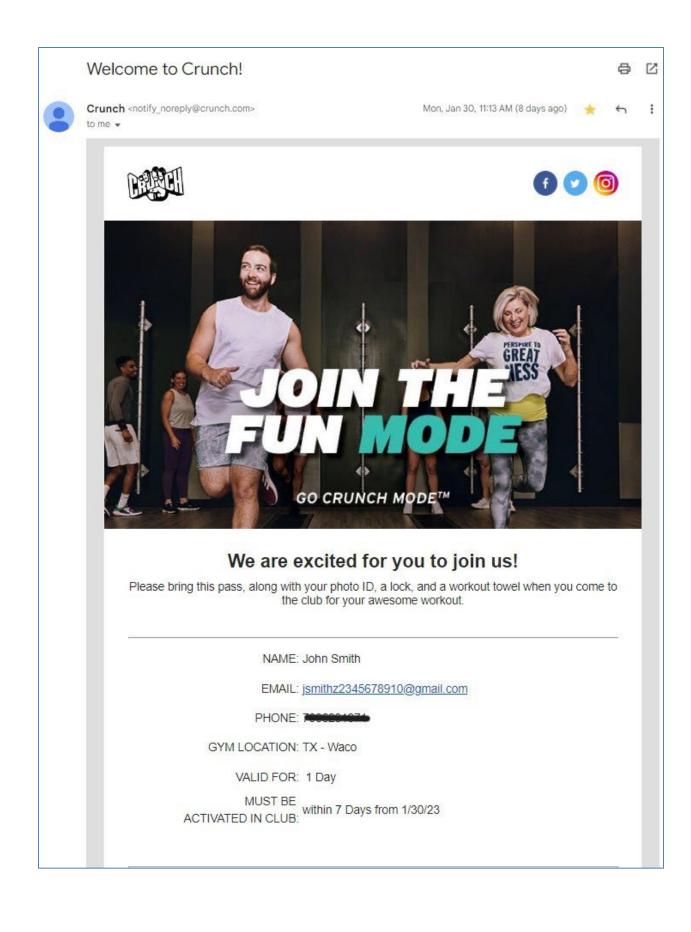
Marketing System employs and provides a method for conducting an email campaign,

comprising the step of sending to each of the at least one email target a corresponding

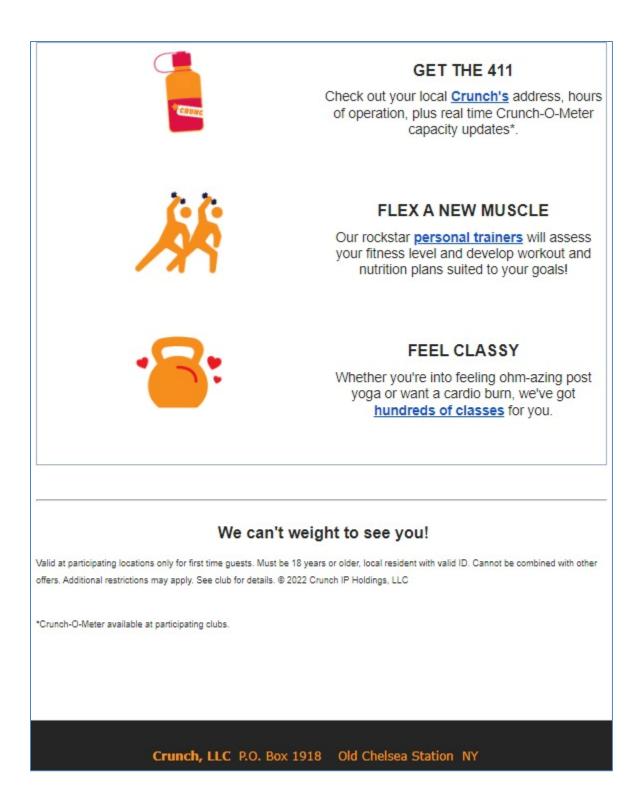
custom email, (e.g., the email reproduced below) wherein the custom email is formed

from the email campaign template.

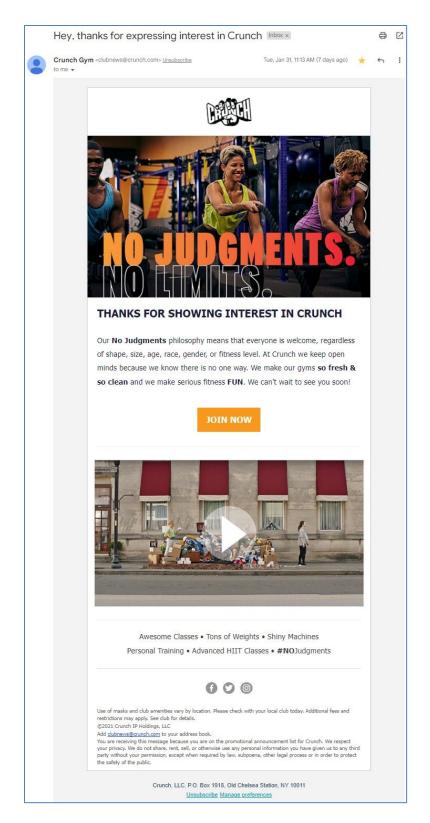
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 51 of 242



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See e.g., screenshots of personalized emails received from the Crunch email server.

#### 111. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method for conducting an email campaign, comprising the step of tracking the custom email (e.g., through the code reproduced below) sent to each of the at least one email target.



At Crunch we respect your privacy. This privacy policy explains how Crunch, through its website or app, may collect, use, and share information about you. Since this policy may change over time as we modify or expand our services, we suggest that you check from time to time in order to understand how we treat your personal information. Your use of this website and its services constitute your agreement to Crunch using information about you in accordance with this privacy policy.

### I. What information do we collect?

Currently, Crunch.com gathers information from you (such as name, e-mail address, business and/or home address, age, zip code, and travel preferences) strictly for contact purposes when users opt to fill out an e-mail submission form to inquire about our company and about membership. In some cases we ask for other optional information including additional contact information and certain demographic information (such as phone number and gender).

# II. How do we use your information?

We may use your information for purposes, including, to provide and service your Crunch membership, to provide member support, to provide and service the Crunch website and app, to communicate special offers, promotions and information about our company to you via email and/or via text message, and to compile usage statistics and other data regarding the use of the Web site services.

# III. How do we use your email information?

At Crunch we respect your concerns about privacy. We collect email information to provide a more personalized and relevant experience. If you give us your email address when you inquire about membership, request a free trial guest pass, or sign up, we will send you emails about exclusive offers, news at Crunch and new club openings. If you have previously opted out of receiving emails from us, providing updated information will act as an 'opt back-in'. If you want to opt-out of receiving promotional emails, simply click on the unsubscribe link located on the bottom of all of our emails. Although we strive to update our email list as frequently as possible, you might receive another contact before we are able to remove you. Please note that you will continue to receive Member Services related communications as it pertains to your member account. Crunch may use any of your contact information held on file (Including Email, Mailing, Phone & Fax) to communicate with you in relation to day to day administrative activities, such as freeze requests, online purchases and important service alerts.

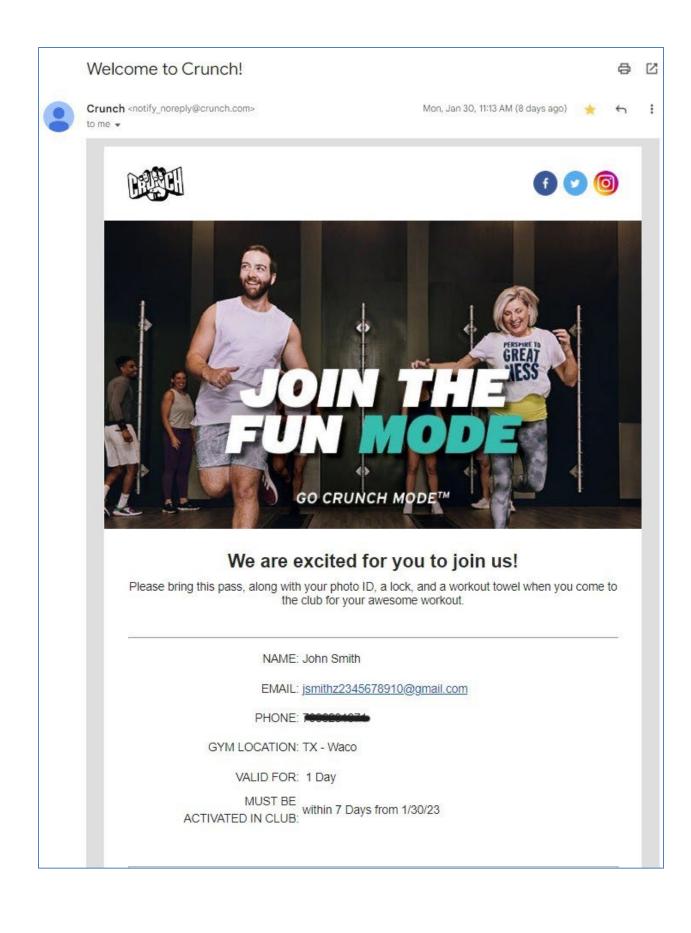
\* \* \*

# VI. Do we use cookies?

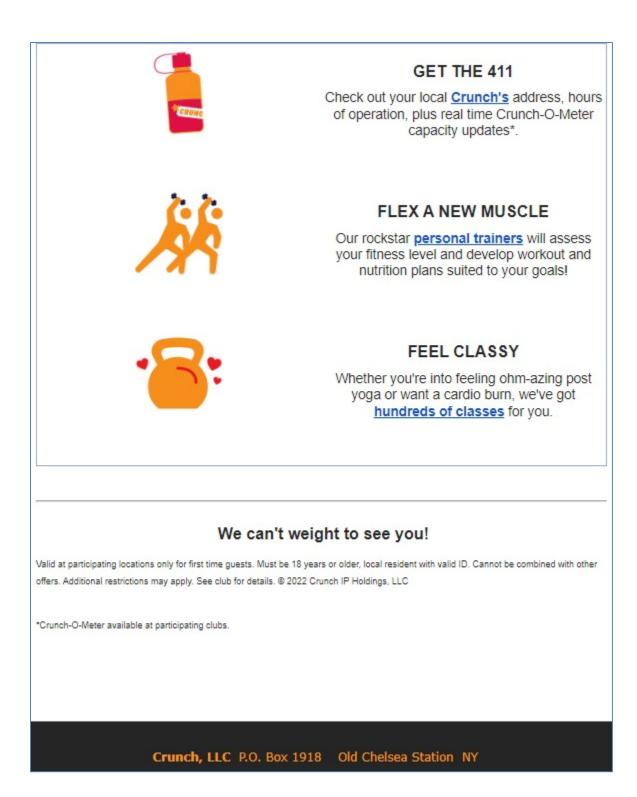
We use cookies to enhance your experience on our web site. For example, a cookie enables us to remember the region or specific club page you have visited so the next time you return to our site you do not have to select that club or region again. You can set your Internet browser (like Chrome, Firefox, Safari or Internet Explorer) to warn you every time a cookie is sent, or to turn off all cookies. See your browser's Help menu for these instructions. By disabling your cookies you will not have access to some of the features that enhance your user experience on our site.

See, e.g., https://www.crunch.com/privacy-policy.

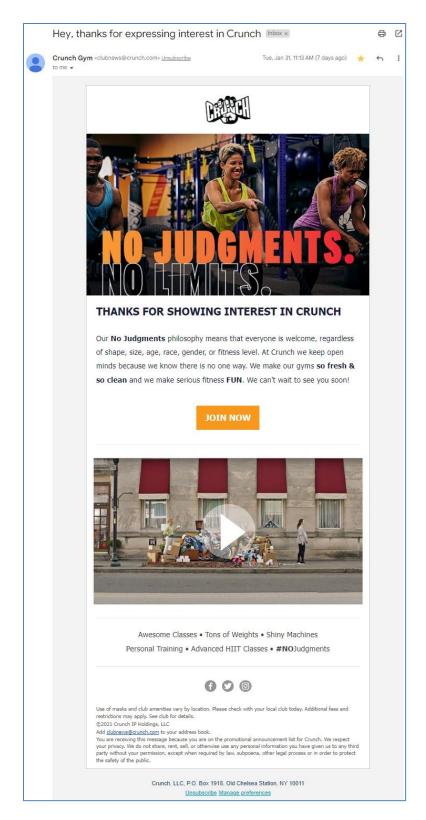
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 56 of 242



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# 



*See e.g.,* screenshots of personalized emails received from the Crunch email server. *See also* code excerpts from the same emails:

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VW1xZd96Hv-cVTTr= Vd7MKXW5W7-75Mp4WqG4dW7dHCf73D5pTc112" alt=3D"" width=3D"1" height=3D"1" bo= rder=3D"0" style=3D"display:none!important;min-height:1px!important;width:1= px!important;border-width:0!important;margin-top:0!important;margin-bottom:= 0!important;margin-right:0!important;margin-left:0!important;padding-top:0!= important;padding-bottom:0!important;padding-right:0!important;padding-left= :0!important"></body></html>

and

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VWMth02TxqM1W2kj= q7v5fj4vXW1n-N734WsPR3W4KxWwm3D5pTc112" alt=3D"" width=3D"1" height=3D"1" b= order=3D"0" style=3D"display:none!important;min-height:1px!important;width:= 1px!important;border-width:0!important;margin-top:0!important;margin-bottom= :0!important;margin-right:0!important;margin-left:0!important;padding-top:0= !important;padding-bottom:0!important;padding-right:0!important;padding-lef= t:0!important"></body></html>

112. On information and belief, Crunch directly infringes at least claim 1 of the '555 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

113. Crunch's direct infringement has damaged Advanced Transactions and

caused it to suffer and continue to suffer irreparable harm and damages.

#### Count II - Infringement of United States Patent No. 7,386,594

114. Advanced Transactions repeats, realleges, and incorporates by reference,

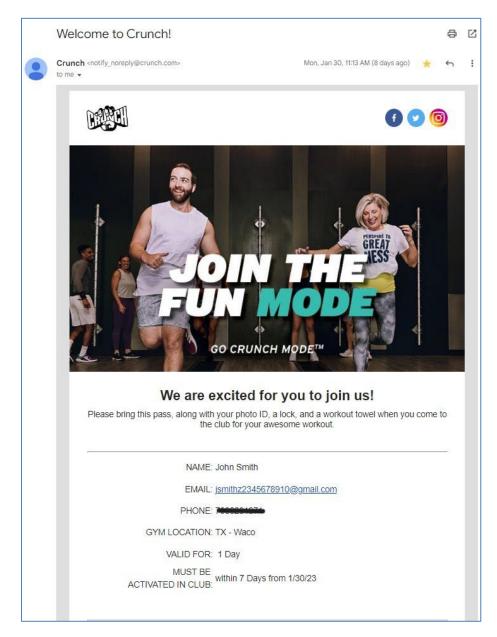
as if fully set forth here, the allegations of the preceding paragraphs above.

115. On information and belief, Crunch (or those acting on its behalf) made, used, sold, imported and/or offered to sell the Crunch Marketing Products, and Services; and made, used, sold, sold access to, imported, offered to sell and/or offered

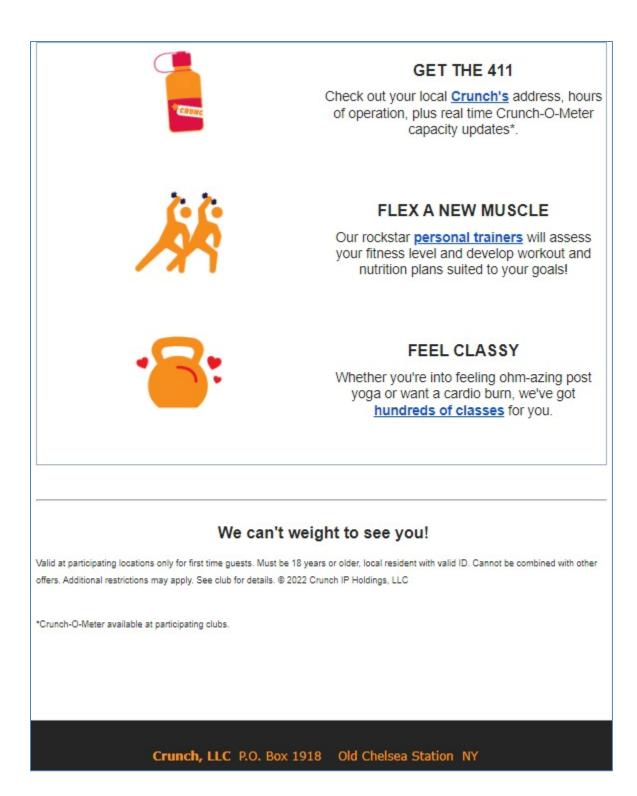
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 60 of 242

to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 1 of the '594 patent.

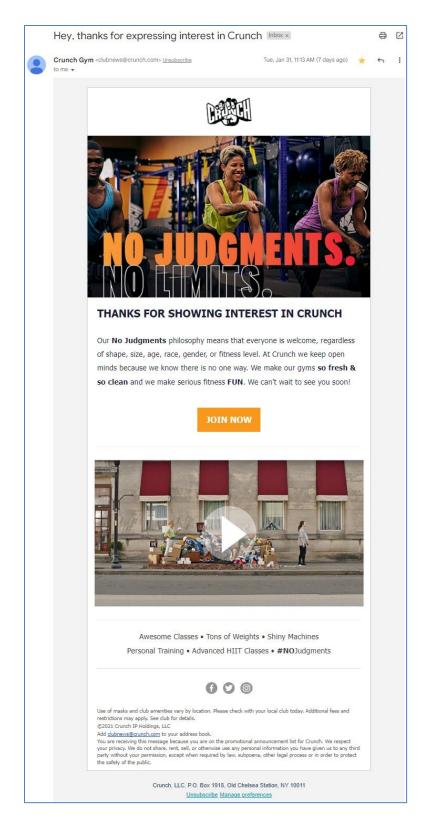
116. On information and belief, one or more components of the Crunch Marketing System, (*e.g.*, Crunch email servers), employs and provides a method for conducting an email campaign.



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See e.g., screenshots of personalized emails received from the Crunch email server.



At Crunch we respect your privacy. This privacy policy explains how Crunch, through its website or app, may collect, use, and share information about you. Since this policy may change over time as we modify or expand our services, we suggest that you check from time to time in order to understand how we treat your personal information. Your use of this website and its services constitute your agreement to Crunch using information about you in accordance with this privacy policy.

# I. What information do we collect?

Currently, Crunch.com gathers information from you (such as name, e-mail address, business and/or home address, age, zip code, and travel preferences) strictly for contact purposes when users opt to fill out an e-mail submission form to inquire about our company and about membership. In some cases we ask for other optional information including additional contact information and certain demographic information (such as phone number and gender).

# II. How do we use your information?

We may use your information for purposes, including, to provide and service your Crunch membership, to provide member support, to provide and service the Crunch website and app, to communicate special offers, promotions and information about our company to you via email and/or via text message, and to compile usage statistics and other data regarding the use of the Web site services.

# III. How do we use your email information?

At Crunch we respect your concerns about privacy. We collect email information to provide a more personalized and relevant experience. If you give us your email address when you inquire about membership, request a free trial guest pass, or sign up, we will send you emails about exclusive offers, news at Crunch and new club openings. If you have previously opted out of receiving emails from us, providing updated information will act as an 'opt back-in'. If you want to opt-out of receiving promotional emails, simply click on the unsubscribe link located on the bottom of all of our emails. Although we strive to update our email list as frequently as possible, you might receive another contact before we are able to remove you. Please note that you will continue to receive Member Services related communications as it pertains to your member account. Crunch may use any of your contact information held on file (including Email, Mailing, Phone & Fax) to communicate with you in relation to day to day administrative activities, such as freeze requests, online purchases and important service alerts.

\* \* \*

# VI. Do we use cookies?

We use cookies to enhance your experience on our web site. For example, a cookie enables us to remember the region or specific club page you have visited so the next time you return to our site you do not have to select that club or region again. You can set your Internet browser (like Chrome, Firefox, Safari or Internet Explorer) to warn you every time a cookie is sent, or to turn off all cookies. See your browser's Help menu for these instructions. By disabling your cookies you will not have access to some of the features that enhance your user experience on our site.

# See, e.g., https://www.crunch.com/privacy-policy.

117. On information and belief, one or more components of the Crunch

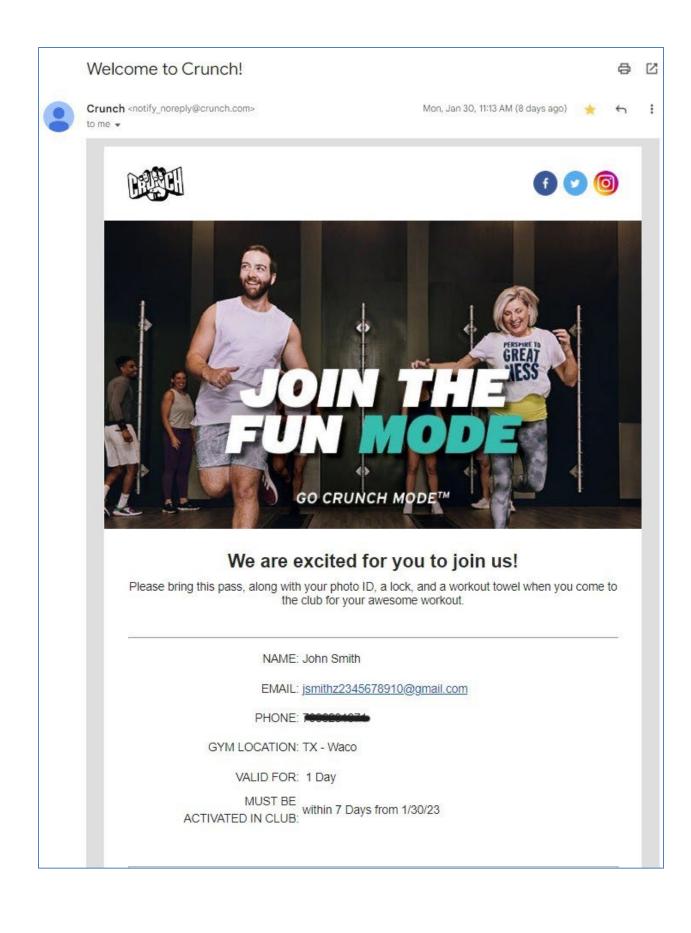
Marketing System employs and provides a method for conducting an email campaign,

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Phone Number	*					Drive Casa - Waco
			Whataburger	4 h	Z Highby	N 38H S Fun Guns
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	. Crunch's privacy policy may be found		oogle Forth	N.	Walma Keyboard	shortcuts Map data ©2023 Google Terms of Use
following Privacy Pol	icy   Crunch Fitness Message frequenc	y varies.*				
	Get Started!					

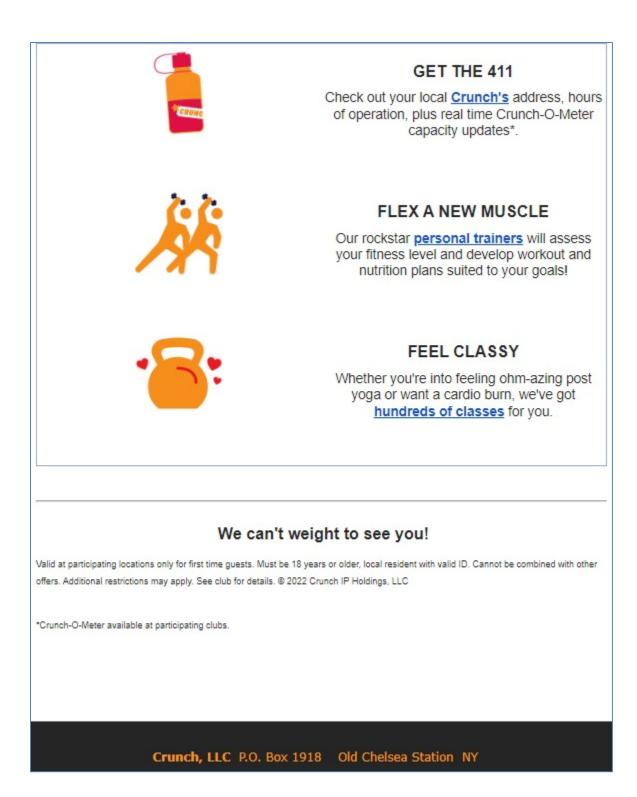
comprising the step of receiving an email target database.

*See e.g.*, https://info.crunch.com/free-trial.

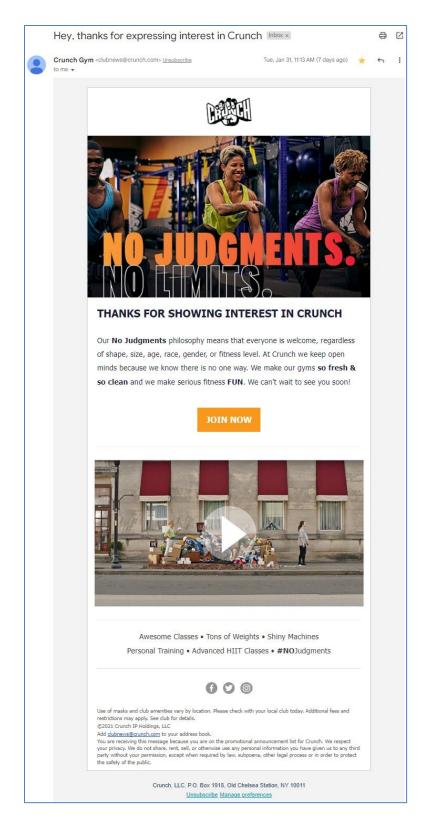
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 65 of 242



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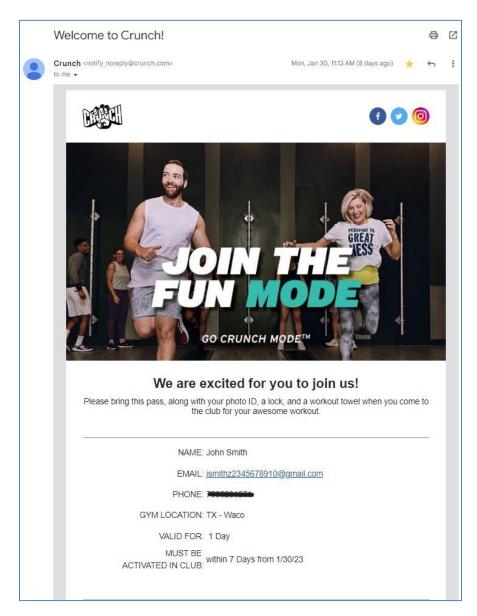
# Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 67 of 242



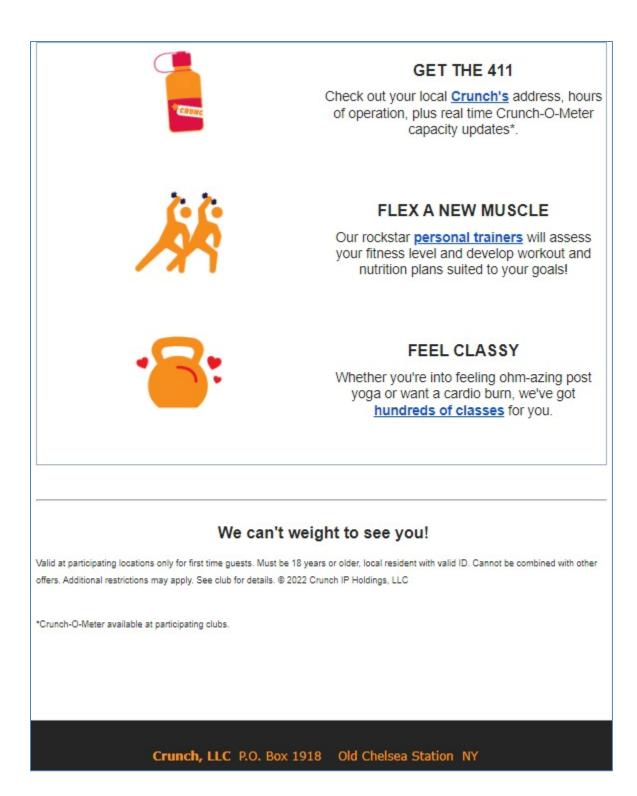
See e.g., screenshots of personalized emails received from the Crunch email server.

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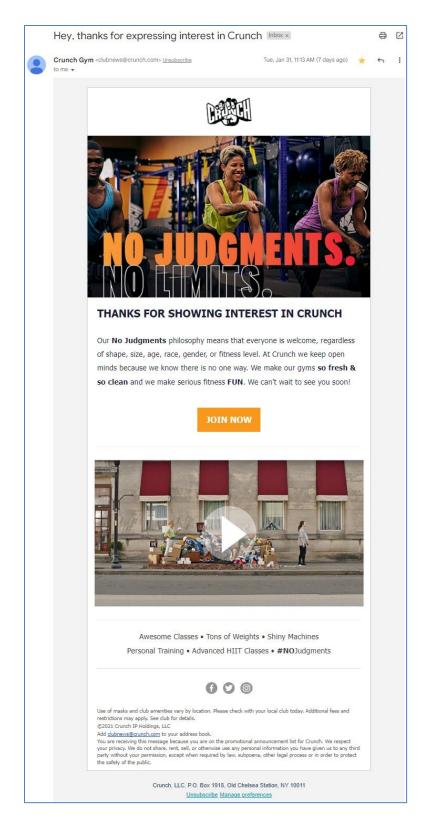
118. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for conducting an email campaign, comprising the step of generating an email campaign template (*e.g.*, the template used to generate the email reproduced below) related to at least one email target in the received email target database.



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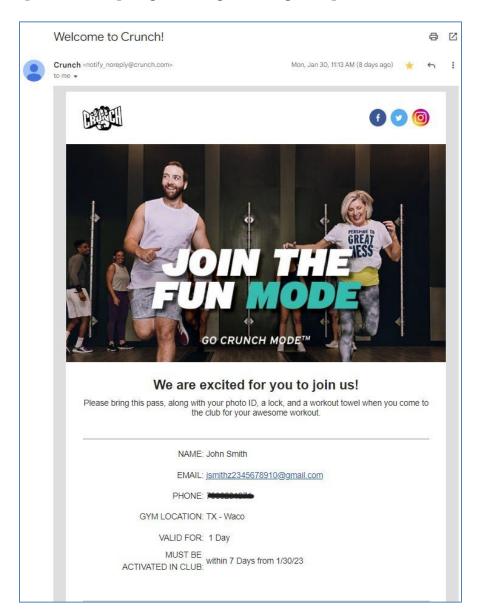
# Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 70 of 242



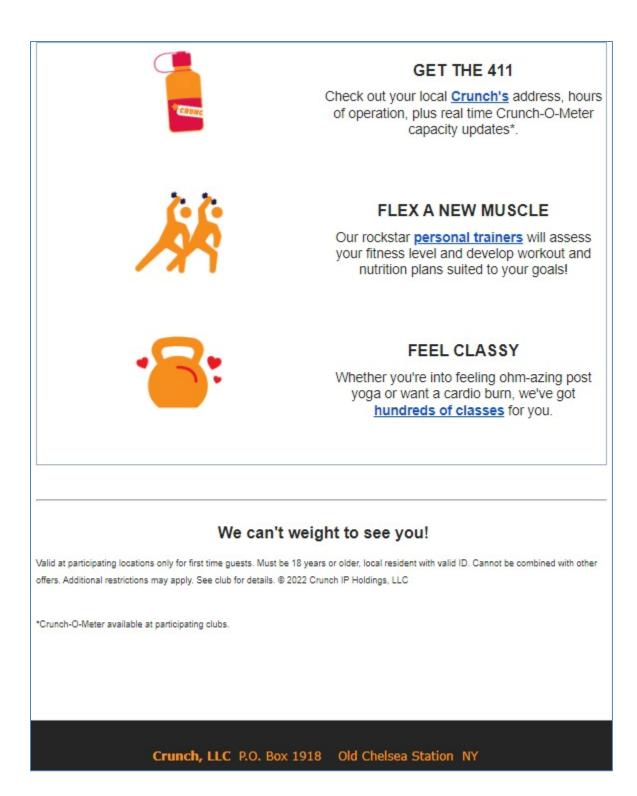
See e.g., screenshots of personalized emails received from the Crunch email server.

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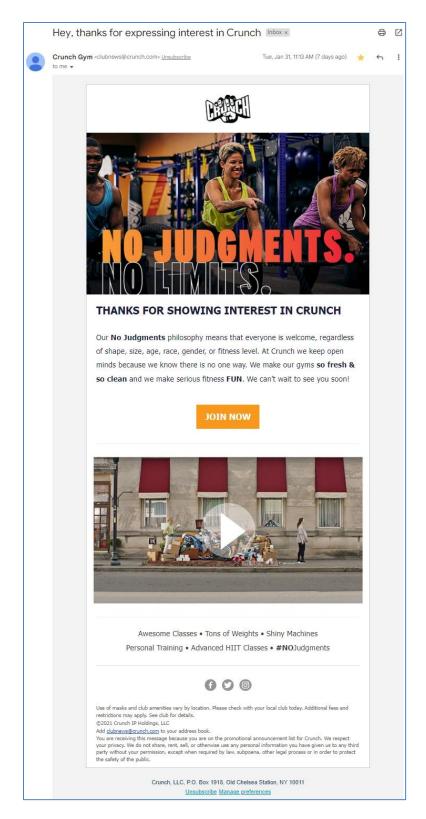
119. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for conducting an email campaign, comprising the step of generating an email campaign template related to at least one email target (*e.g.*, images, links, and/or text relating to the intended recipient of the email) in the received email target database, wherein the step of generating an email campaign template related to at least one email target in the received email target database comprises the step of generating a message template.



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## 



*See e.g.,* screenshots of personalized emails received from the Crunch email server. *See also* code excerpts from the same emails:

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VW1xZd96Hv-cVTTr= Vd7MKXW5W7-75Mp4WqG4dW7dHCf73D5pTc112" alt=3D"" width=3D"1" height=3D"1" bo= rder=3D"0" style=3D"display:none!important;min-height:1px!important;width:1= px!important;border-width:0!important;margin-top:0!important;margin-bottom:= 0!important;margin-right:0!important;margin-left:0!important;padding-top:0!= important;padding-bottom:0!important;padding-right:0!important;padding-left= :0!important"></body></html>

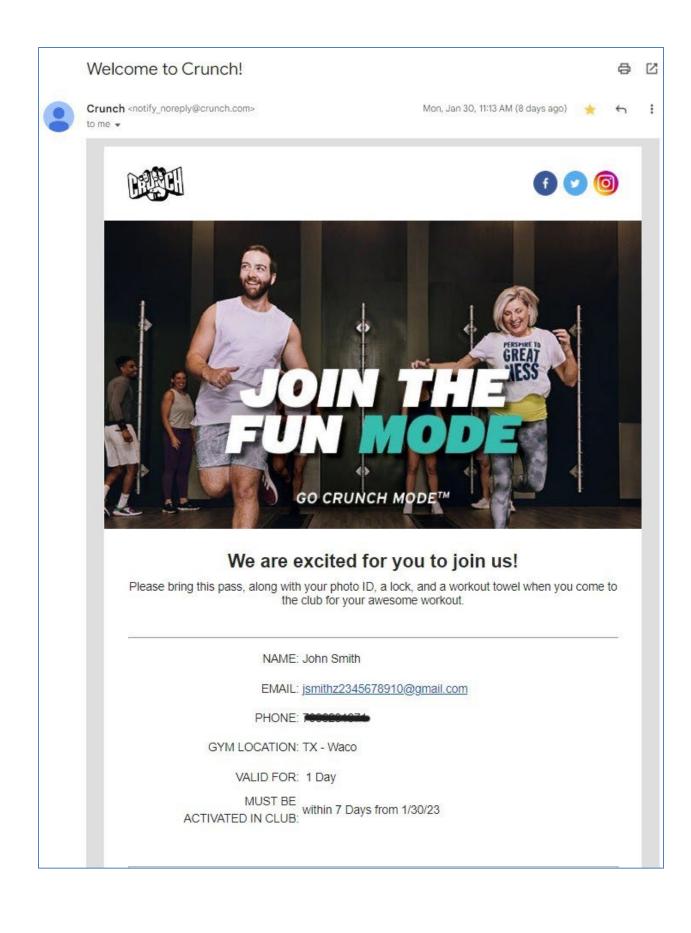
and

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VWMth02TxqM1W2kj= q7v5fj4vXW1n-N734WsPR3W4KxWwm3D5pTc112" alt=3D"" width=3D"1" height=3D"1" b= order=3D"0" style=3D"display:none!important;min-height:1px!important;width:= 1px!important;border-width:0!important;margin-top:0!important;margin-bottom= :0!important;margin-right:0!important;margin-left:0!important;padding-top:0= !important;padding-bottom:0!important;padding-right:0!important;padding-lef= t:0!important"></body></html>

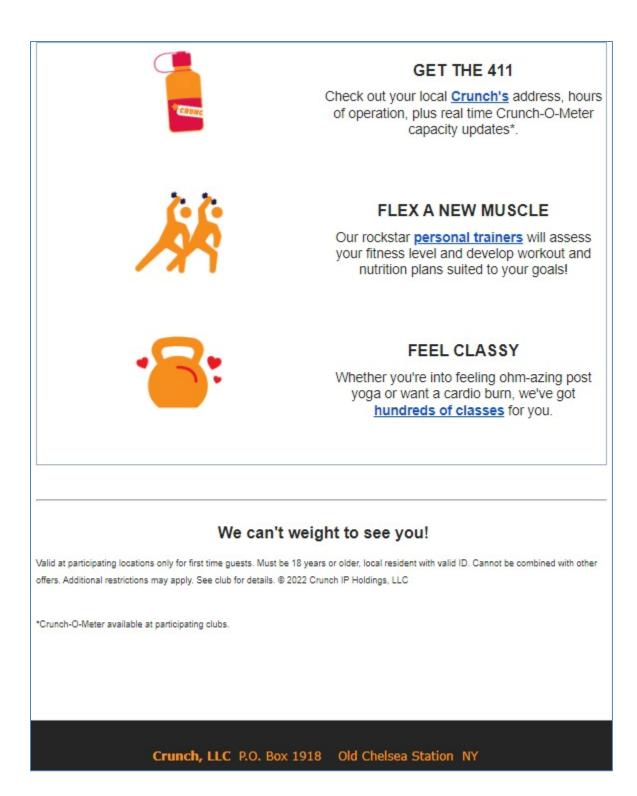
120. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method for conducting an email campaign, comprising the step of generating an email campaign template related to at least one email target in the received email target database, wherein the step of generating an email campaign template related to at least one email target in the received email target database comprises the step of generating a configuration file to contain data related to each of the at least one email target, wherein the data is insertable in the generated message template.

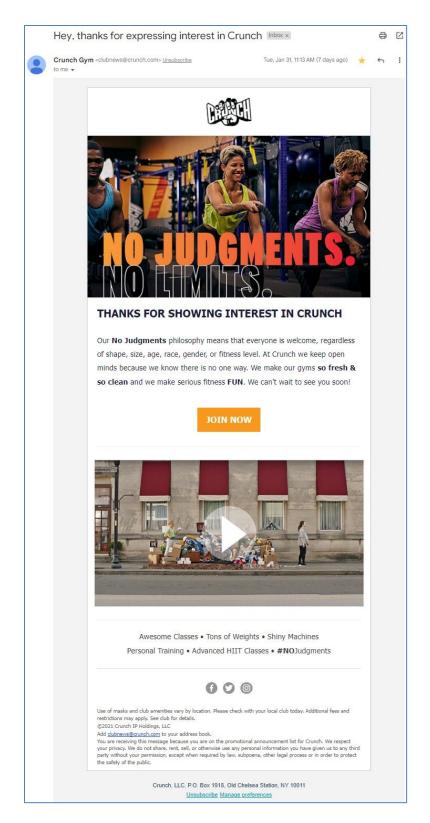
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 75 of 242



#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 76 of 242

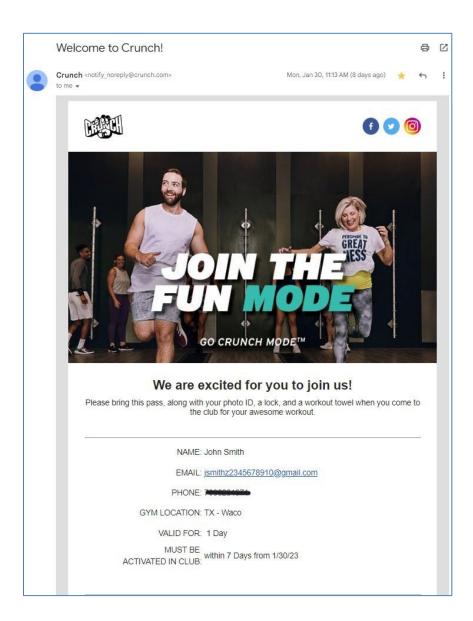


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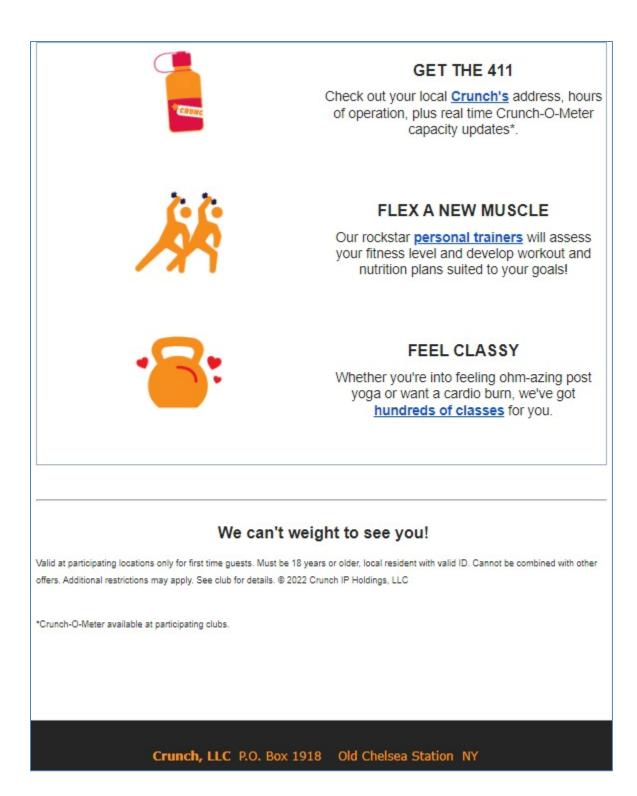


#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 78 of 242

121. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for conducting an email campaign, comprising the step of sending to each of the at least one email target a corresponding custom email, wherein the custom email is formed from the email campaign template.



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122. On information and belief, Crunch directly infringes at least claim 1 of the '594 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

123. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

#### <u>Count III – Infringement of United States Patent No. 7,693,950</u>

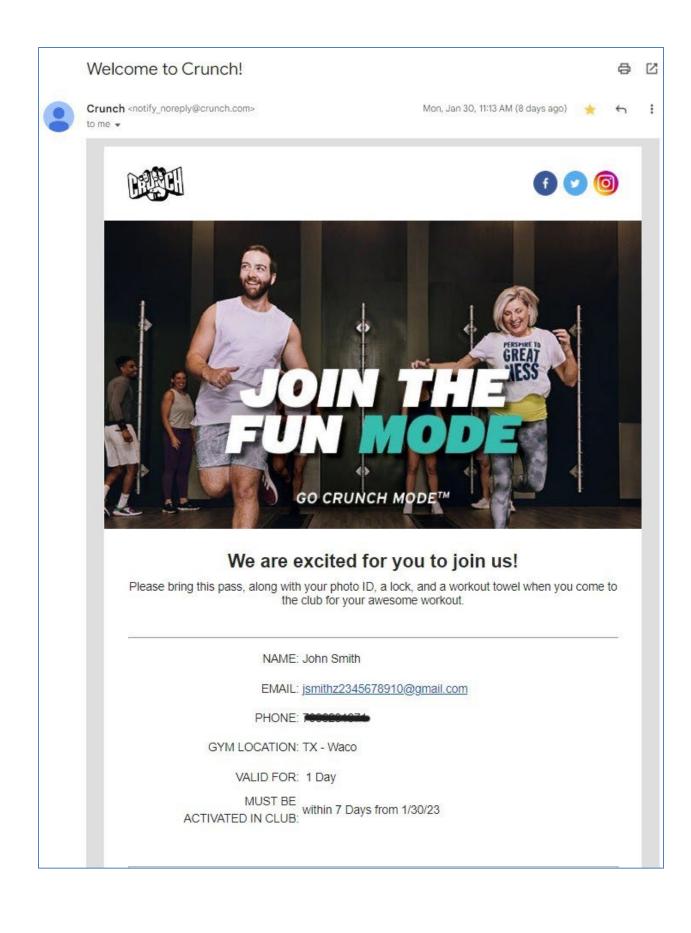
124. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

125. On information and belief, Crunch (or those acting on its behalf) made, used, sold, imported and/or offered to sell the Crunch Marketing Products, and Services; and made, used, sold, sold access to, imported, offered to sell and/or offered to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 21 of the '950 patent.

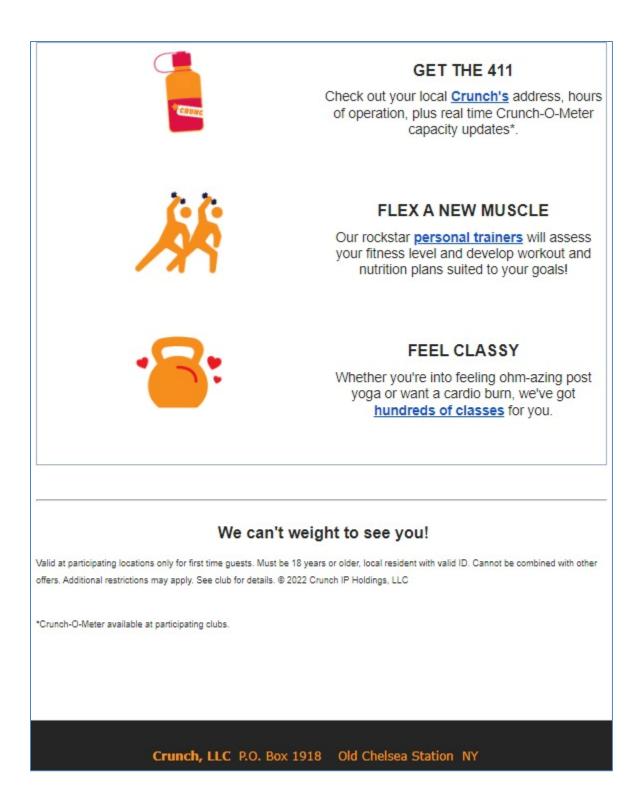
126. On information and belief, one or more components of the Crunch Marketing System (e.g., Crunch email servers) employs and provides a method for producing a custom email template.

81

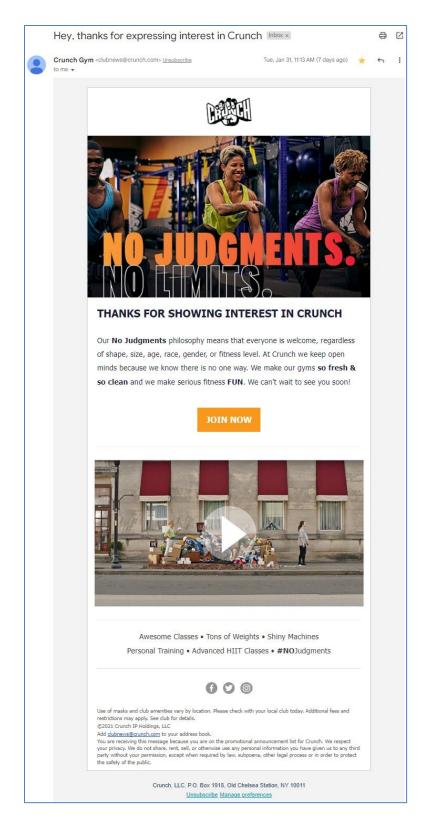
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 82 of 242



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At Crunch we respect your privacy. This privacy policy explains how Crunch, through its website or app, may collect, use, and share information about you. Since this policy may change over time as we modify or expand our services, we suggest that you check from time to time in order to understand how we treat your personal information. Your use of this website and its services constitute your agreement to Crunch using information about you in accordance with this privacy policy.

# I. What information do we collect?

Currently, Crunch.com gathers information from you (such as name, e-mail address, business and/or home address, age, zip code, and travel preferences) strictly for contact purposes when users opt to fill out an e-mail submission form to inquire about our company and about membership. In some cases we ask for other optional information including additional contact information and certain demographic information (such as phone number and gender).

## II. How do we use your information?

We may use your information for purposes, including, to provide and service your Crunch membership, to provide member support, to provide and service the Crunch website and app, to communicate special offers, promotions and information about our company to you via email and/or via text message, and to compile usage statistics and other data regarding the use of the Web site services.

## III. How do we use your email information?

At Crunch we respect your concerns about privacy. We collect email information to provide a more personalized and relevant experience. If you give us your email address when you inquire about membership, request a free trial guest pass, or sign up, we will send you emails about exclusive offers, news at Crunch and new club openings. If you have previously opted out of receiving emails from us, providing updated information will act as an 'opt back-in'. If you want to opt-out of receiving promotional emails, simply click on the unsubscribe link located on the bottom of all of our emails. Although we strive to update our email list as frequently as possible, you might receive another contact before we are able to remove you. Please note that you will continue to receive Member Services related communications as it pertains to your member account. Crunch may use any of your contact information held on file (including Email, Mailing, Phone & Fax) to communicate with you in relation to day to day administrative activities, such as freeze requests, online purchases and important service alerts.

\* \* \*

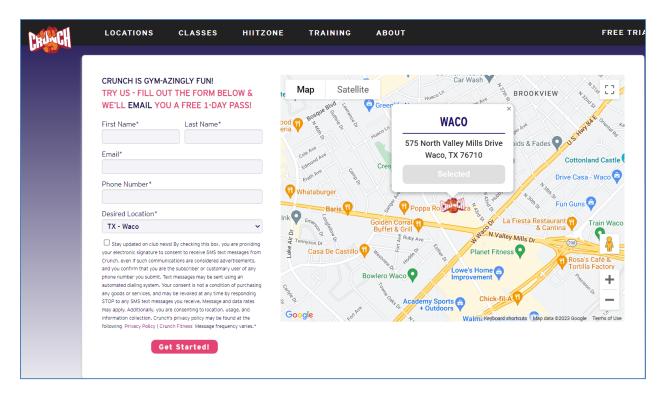
# VI. Do we use cookies?

We use cookies to enhance your experience on our web site. For example, a cookie enables us to remember the region or specific club page you have visited so the next time you return to our site you do not have to select that club or region again. You can set your Internet browser (like Chrome, Firefox, Safari or Internet Explorer) to warn you every time a cookie is sent, or to turn off all cookies. See your browser's Help menu for these instructions. By disabling your cookies you will not have access to some of the features that enhance your user experience on our site.

## See, e.g., https://www.crunch.com/privacy-policy.

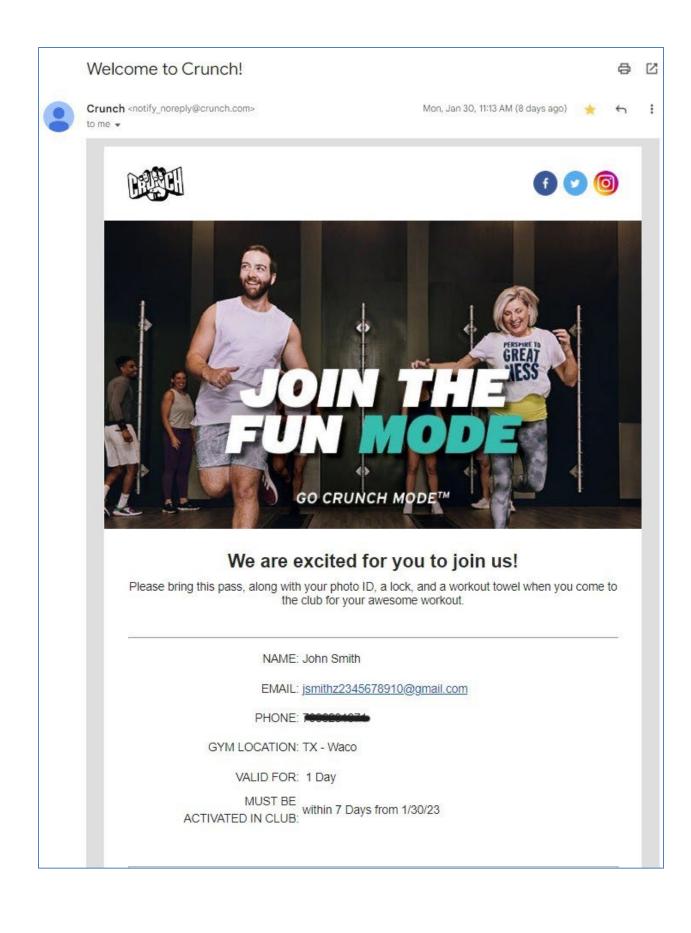
127. On information and belief, one or more components of the Crunch Marketing System (e.g., Crunch email servers) employs and provides a method for producing a custom email template comprising the step of receiving, at the computing device, email addresses for a plurality of target recipients of custom email messages.

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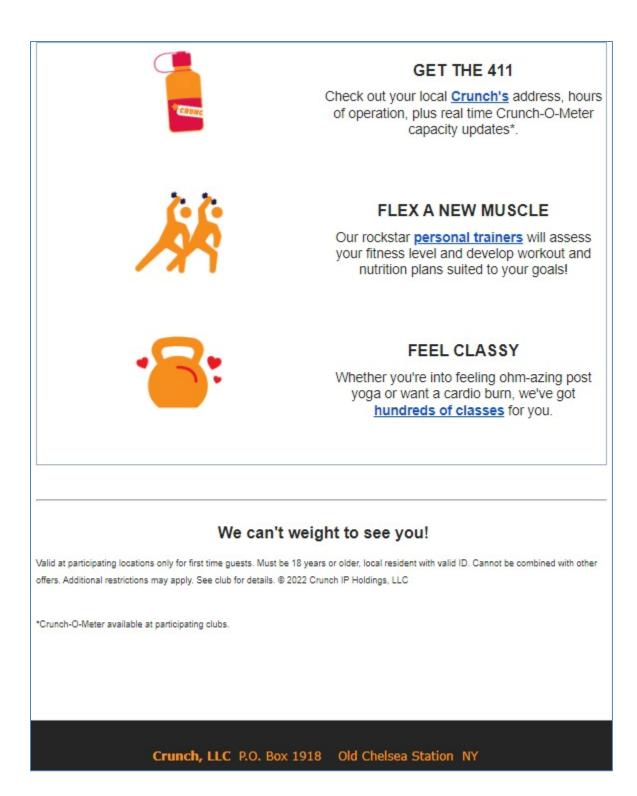


*See e.g.*, https://info.crunch.com/free-trial.

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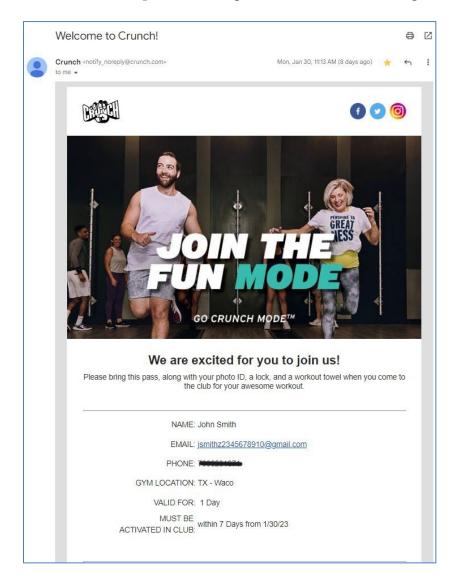


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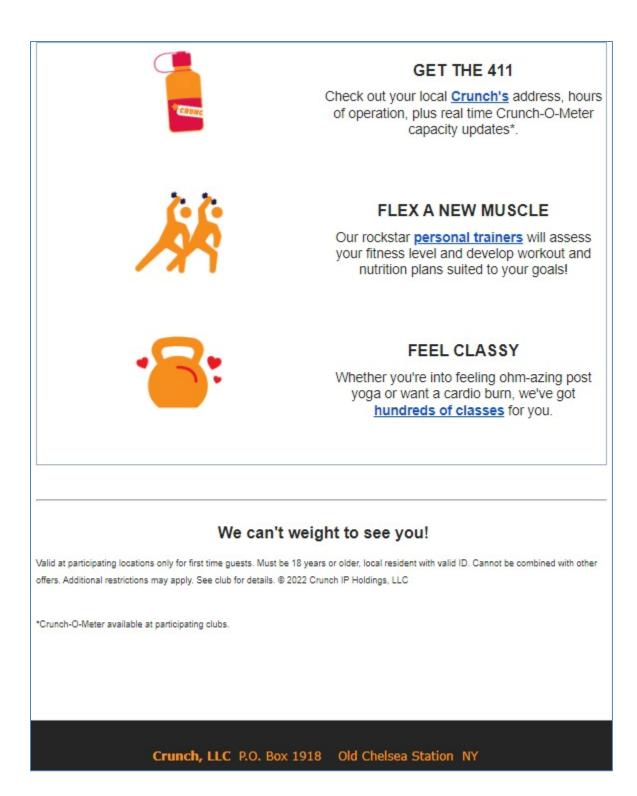


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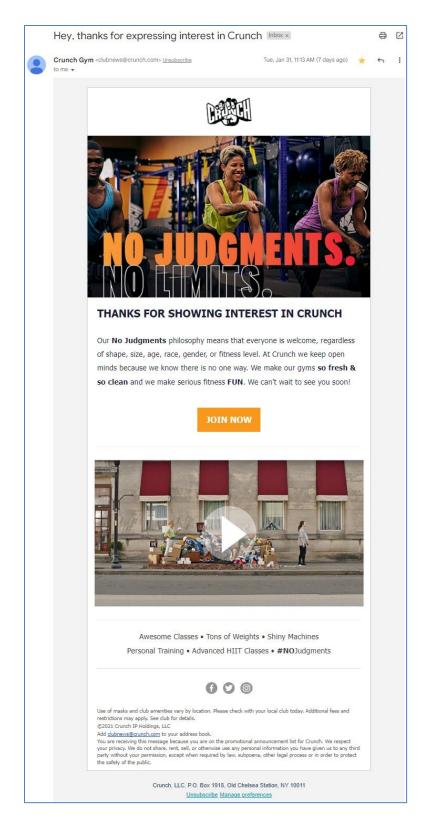
128. On information and belief, one or more components of the Crunch Marketing System (e.g., Crunch email servers) employs and provides a method for producing a custom email template comprising the step of producing at the computing device, as the custom email template, a configuration file and a message file.



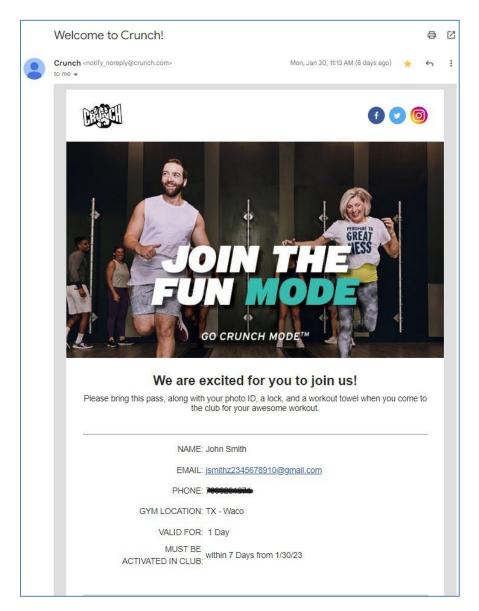
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 92 of 242



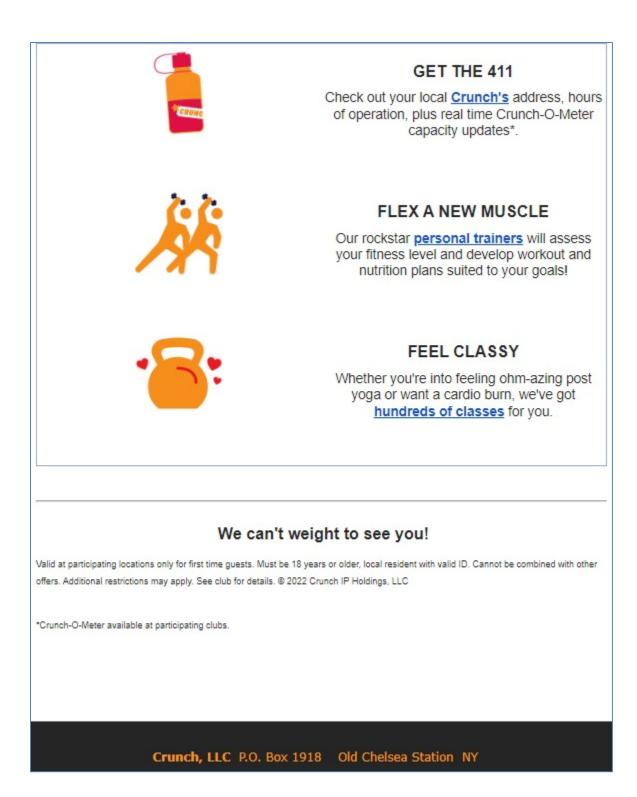
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 93 of 242



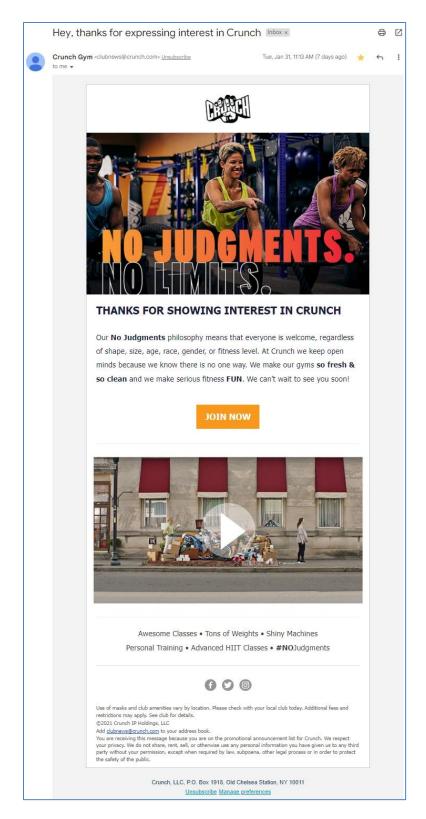
129. On information and belief, one or more components of the Crunch Marketing System (e.g., Crunch email servers) employs and provides a method for producing a custom email template comprising wherein the configuration file includes, for each of the plurality of target recipients, data related to the target recipient and a custom uniform resource locator unique to the target recipient.



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## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 96 of 242



*See e.g.,* screenshots of personalized emails received from the Crunch email server. *See also* code excerpts from the same emails:

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VW1xZd96Hv-cVTTr= Vd7MKXW5W7-75Mp4WqG4dW7dHCf73D5pTc112" alt=3D"" width=3D"1" height=3D"1" bo= rder=3D"0" style=3D"display:none!important;min-height:1px!important;width:1= px!important;border-width:0!important;margin-top:0!important;margin-bottom:= 0!important;margin-right:0!important;margin-left:0!important;padding-top:0!= important;padding-bottom:0!important;padding-right:0!important;padding-left= :0!important"></body></html>

and

<img src=3D"https://info.crunch.com/e3t/Cto/WY+113/cj77Q04/VWMth02TxqM1W2kj= q7v5fj4vXW1n-N734WsPR3W4KxWwm3D5pTc112" alt=3D"" width=3D"1" height=3D"1" b= order=3D"0" style=3D"display:none!important;min-height:1px!important;width:= 1px!important;border-width:0!important;margin-top:0!important;margin-bottom= :0!important;margin-right:0!important;margin-left:0!important;padding-top:0= !important;padding-bottom:0!important;padding-right:0!important;padding-lef= t:0!important"></body></html>

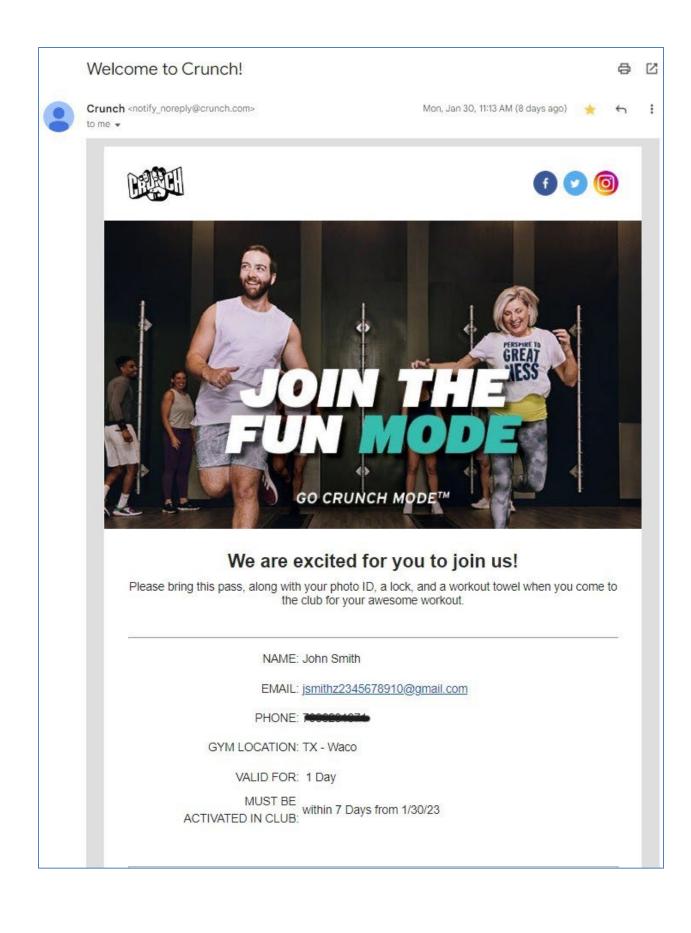
130. On information and belief, one or more components of the Crunch

Marketing System (e.g., Crunch email servers) employs and provides a method for

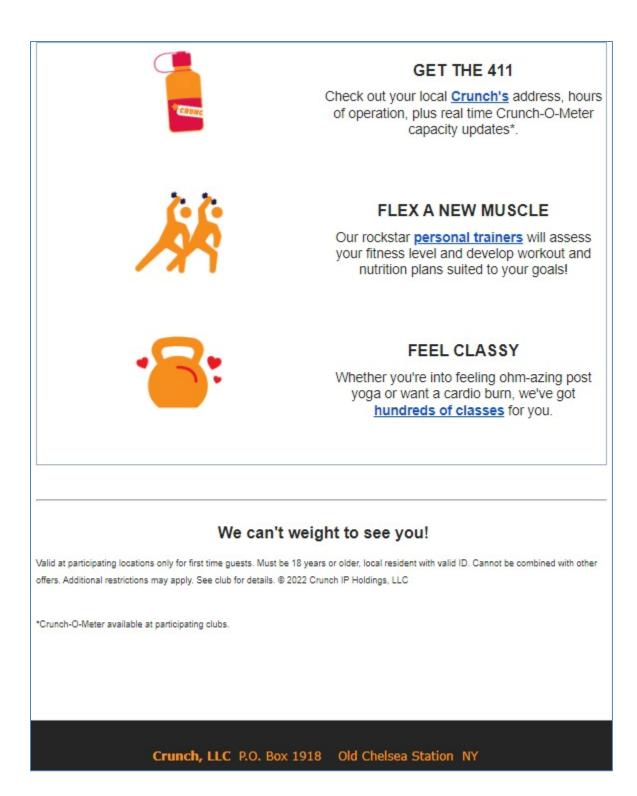
producing a custom email template comprising of the step wherein the message file

includes a textual message for each of the custom email messages.

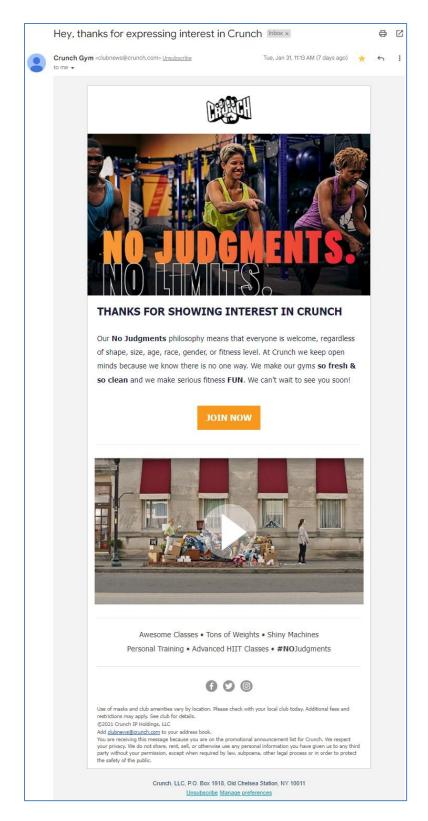
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 98 of 242



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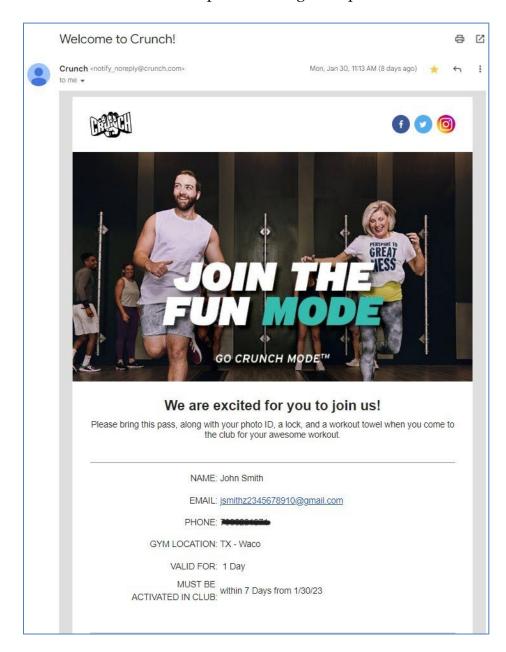


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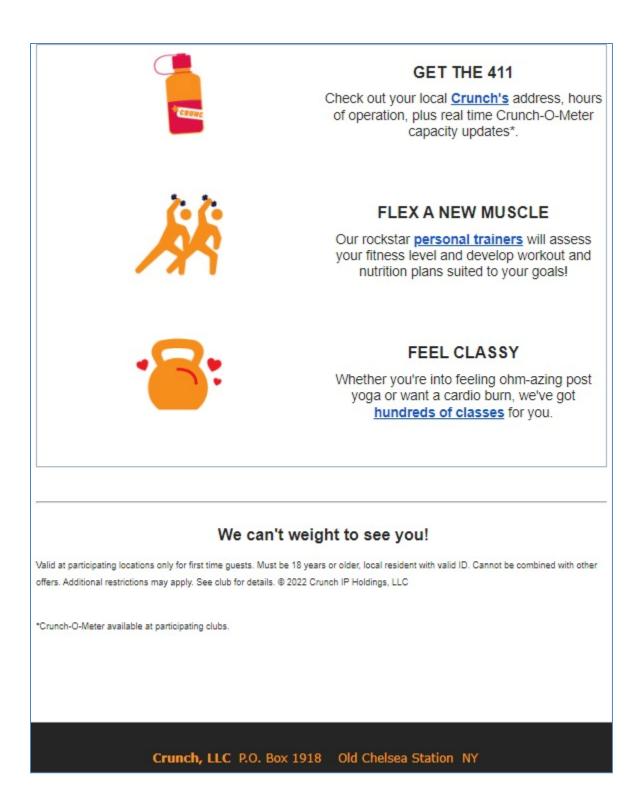


#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 101 of 242

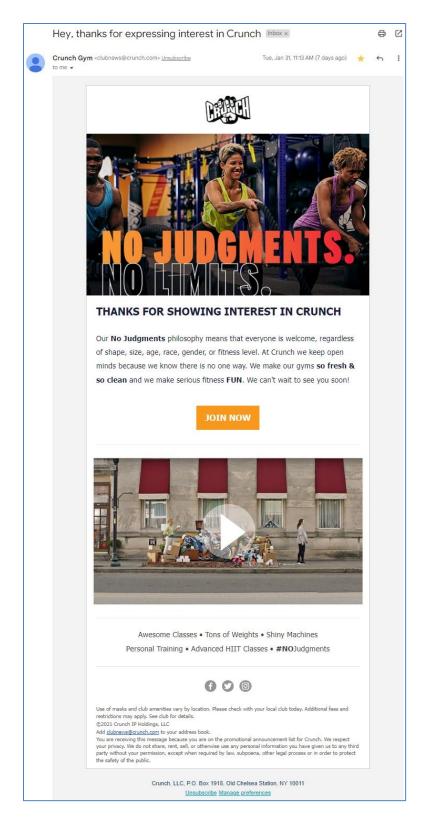
131. On information and belief, one or more components of the Crunch Marketing System (e.g., Crunch email servers) employs and provides a method for producing a custom email template comprising the step wherein the message file includes a plurality of custom tags configured to receive, for each target recipient, the data related to the target recipient and an executable link configured to receive the custom uniform resource locator unique to the target recipient.



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At Crunch we respect your privacy. This privacy policy explains how Crunch, through its website or app, may collect, use, and share information about you. Since this policy may change over time as we modify or expand our services, we suggest that you check from time to time in order to understand how we treat your personal information. Your use of this website and its services constitute your agreement to Crunch using information about you in accordance with this privacy policy.

# I. What information do we collect?

Currently, Crunch.com gathers information from you (such as name, e-mail address, business and/or home address, age, zip code, and travel preferences) strictly for contact purposes when users opt to fill out an e-mail submission form to inquire about our company and about membership. In some cases we ask for other optional information including additional contact information and certain demographic information (such as phone number and gender).

# II. How do we use your information?

We may use your information for purposes, including, to provide and service your Crunch membership, to provide member support, to provide and service the Crunch website and app, to communicate special offers, promotions and information about our company to you via email and/or via text message, and to compile usage statistics and other data regarding the use of the Web site services.

# III. How do we use your email information?

At Crunch we respect your concerns about privacy. We collect email information to provide a more personalized and relevant experience. If you give us your email address when you inquire about membership, request a free trial guest pass, or sign up, we will send you emails about exclusive offers, news at Crunch and new club openings. If you have previously opted out of receiving emails from us, providing updated information will act as an 'opt back-in'. If you want to opt-out of receiving promotional emails, simply click on the unsubscribe link located on the bottom of all of our emails. Although we strive to update our email list as frequently as possible, you might receive another contact before we are able to remove you. Please note that you will continue to receive Member Services related communications as it pertains to your member account. Crunch may use any of your contact information held on file (including Email, Mailing, Phone & Fax) to communicate with you in relation to day to day administrative activities, such as freeze requests, online purchases and important service alerts.

\* \* \*

# VI. Do we use cookies?

We use cookies to enhance your experience on our web site. For example, a cookie enables us to remember the region or specific club page you have visited so the next time you return to our site you do not have to select that club or region again. You can set your Internet browser (like Chrome, Firefox, Safari or Internet Explorer) to warn you every time a cookie is sent, or to turn off all cookies. See your browser's Help menu for these instructions. By disabling your cookies you will not have access to some of the features that enhance your user experience on our site.

## *See, e.g.*, https://www.crunch.com/privacy-policy.

132. On information and belief, Crunch directly infringes at least claim 21 of the '950 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

133. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

#### Count IV – Infringement of United States Patent No. 7,979,057

134. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

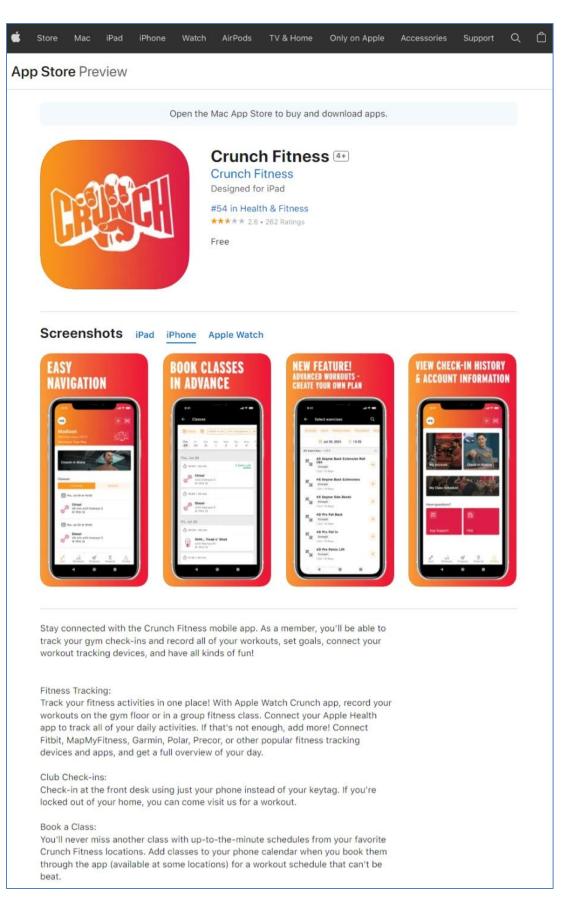
135. On information and belief, Crunch (or those acting on its behalf) makes, uses, sells, imports and/or offers to sell the Crunch Marketing Products, and Services; and makes, uses, sells, sells access to, imports, offers to sell and/or offers to sell access

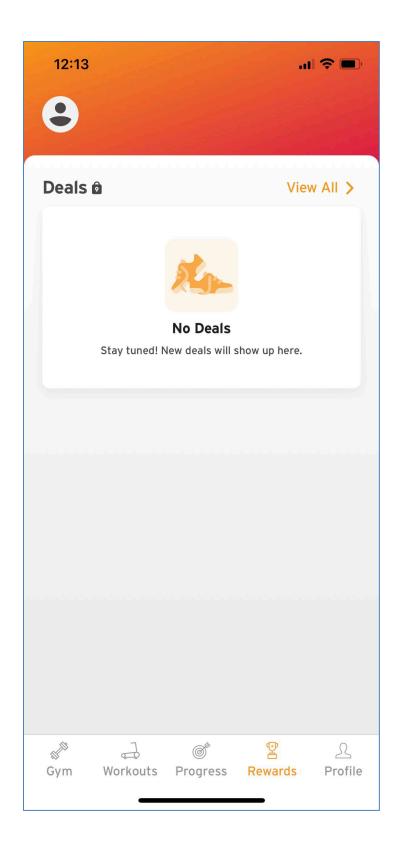
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 106 of 242

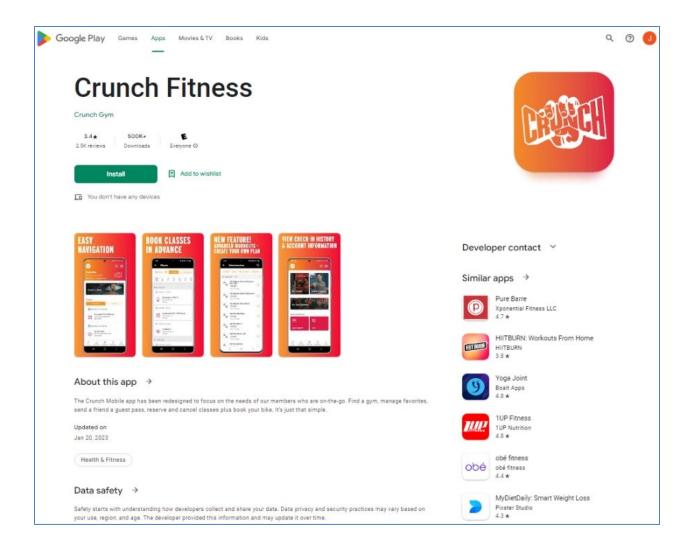
to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 1 of the '057 patent.

136. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for processing negotiable economic credits, (*e.g.*, Crunch Coupons, Crunch Rewards, Crunch Payment Wallet, Crunch Gift Cards, *etc.*) through a wireless hand held device, (*e.g.*, a smart phone with the Crunch App installed).

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Ready, Set, Sweat

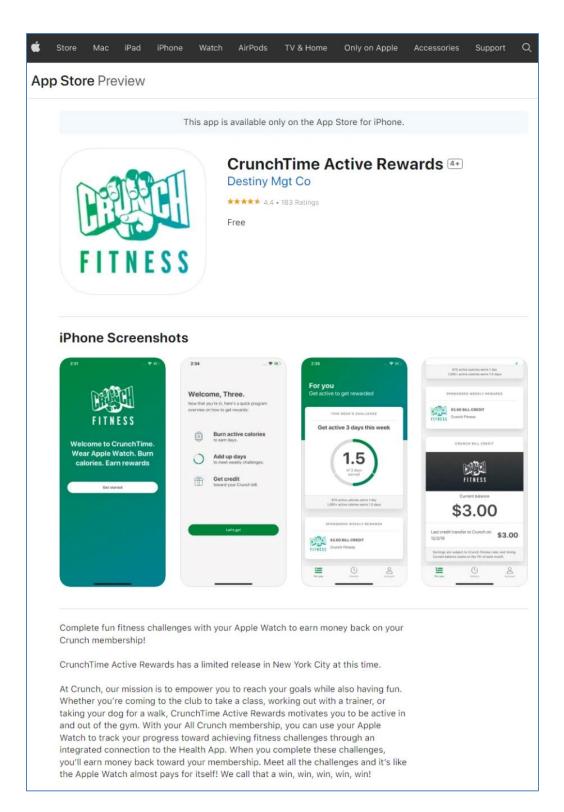


# **Get Rewarded**

Complete your CrunchTime Active Rewards weekly activity challenges & earn up to \$3 each week! Getting paid to workout? We call that a win-win.



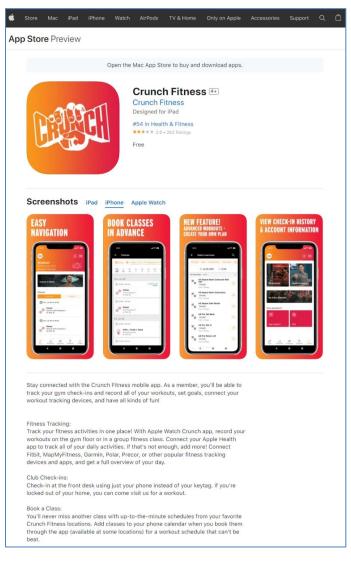
## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 112 of 242

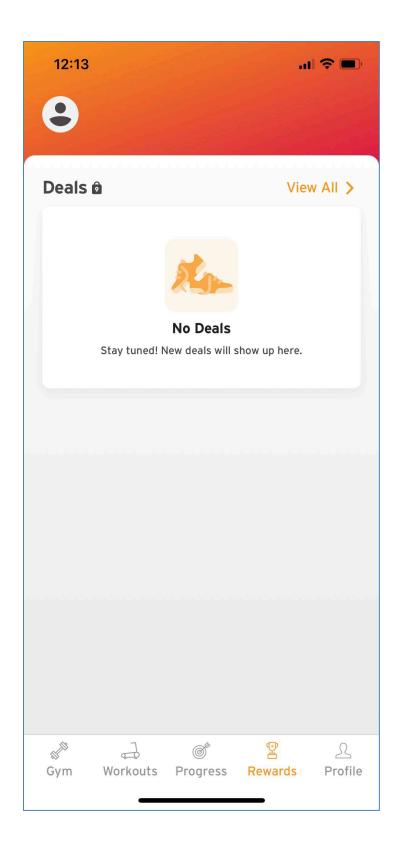


See e.g., screenshots of the Crunch iOS and Android Apps and features.

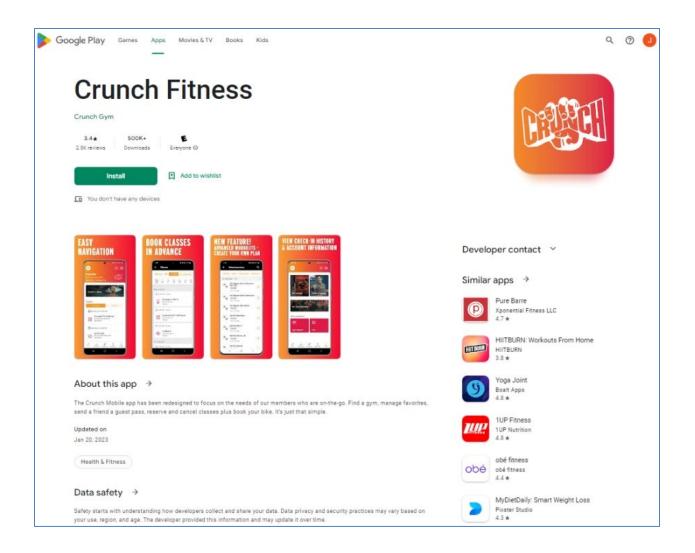
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 113 of 242

137. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for processing negotiable economic credits through a wireless hand held device, comprising the step of storing a filter in a memory of a hand held device, wherein the hand held device comprises a display, user controls, the memory, and a wireless controller, wherein the wireless controller is configured to communicate with a wireless network, (*e.g.*, a cellular data network, Crunch in-store WIFI network, etc.) and wherein the filter is configurable via the user controls.





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Ready, Set, Sweat

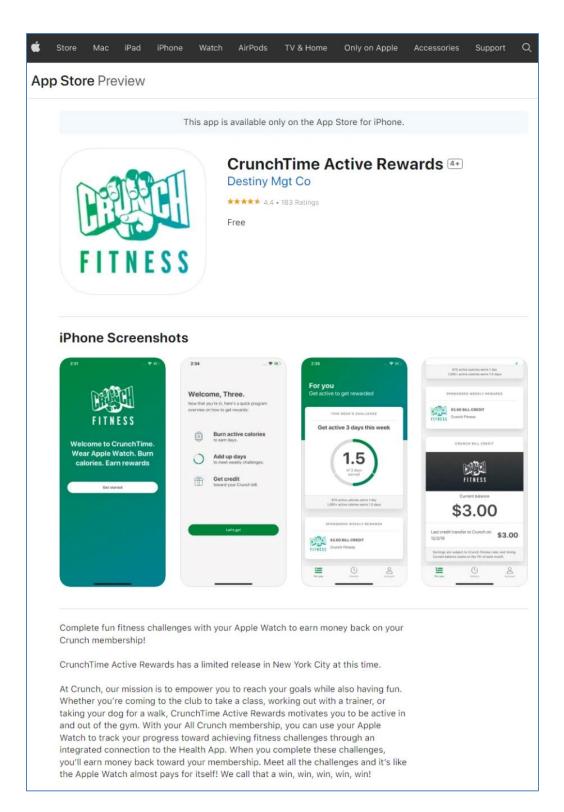


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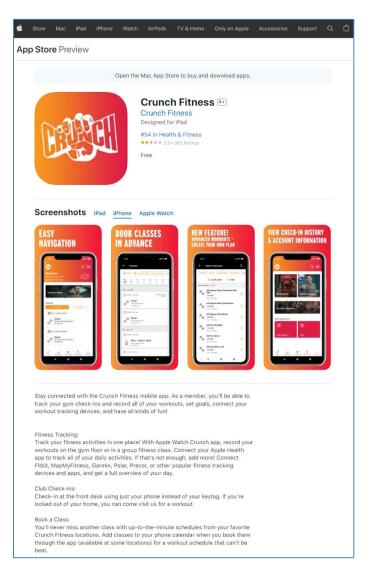


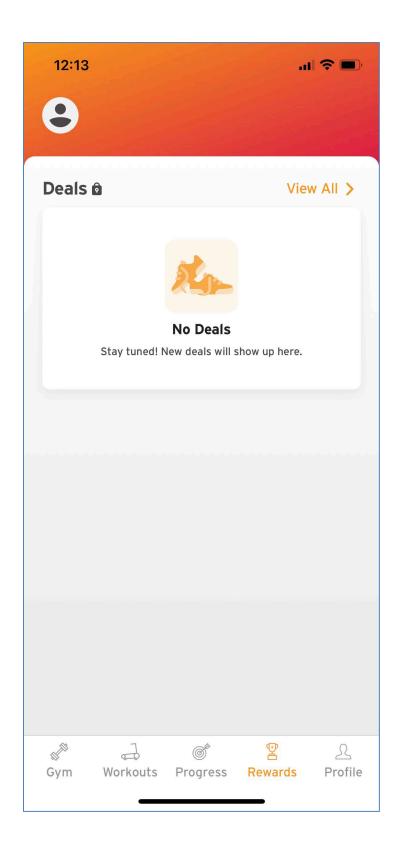
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 118 of 242



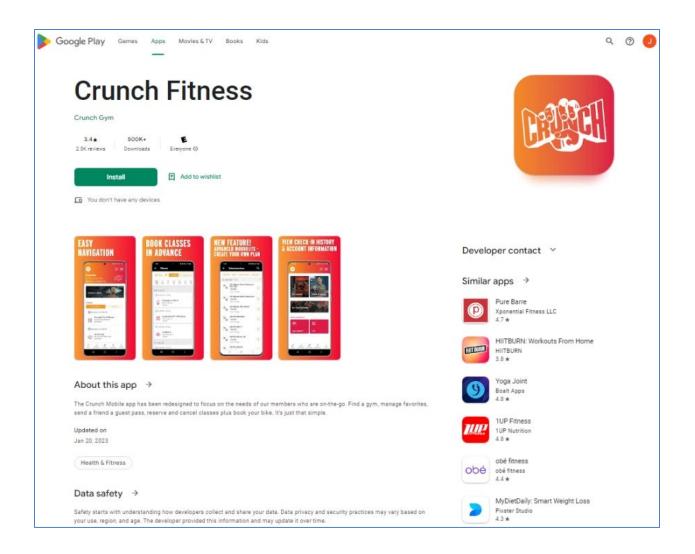
See e.g., screenshots of the Crunch iOS and Android Apps and features.

138. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for processing negotiable economic credits through a wireless hand held device, comprising the step of receiving at least one negotiable economic credit from the wireless network at the hand held device based on the stored filter.





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Ready, Set, Sweat

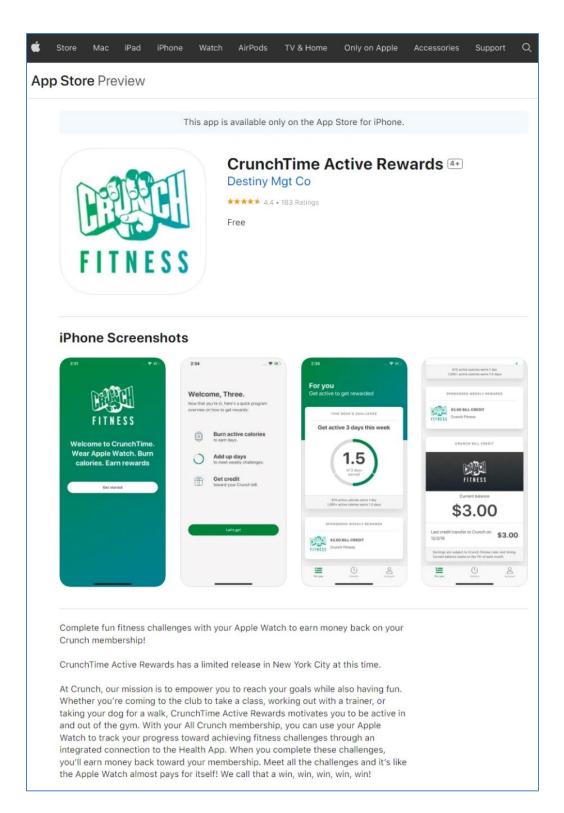


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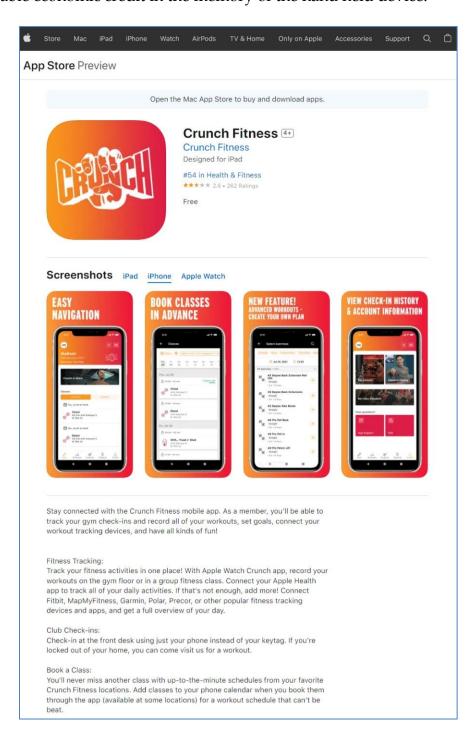


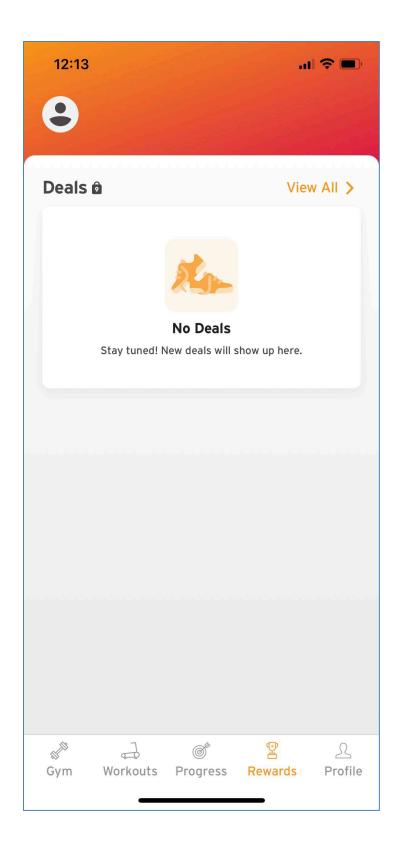
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 124 of 242



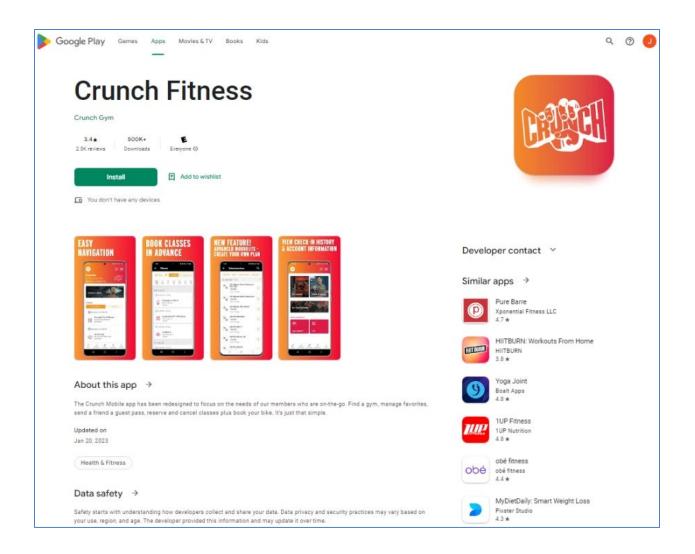
See e.g., screenshots of the Crunch iOS and Android Apps and features.

139. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for processing negotiable economic credits through a wireless hand held device, comprising the step of storing the at least one negotiable economic credit in the memory of the hand held device.





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Ready, Set, Sweat

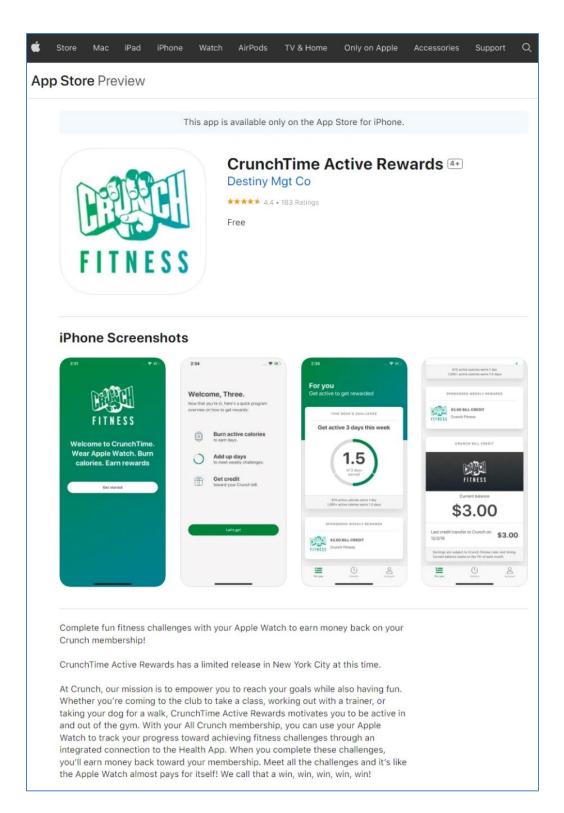


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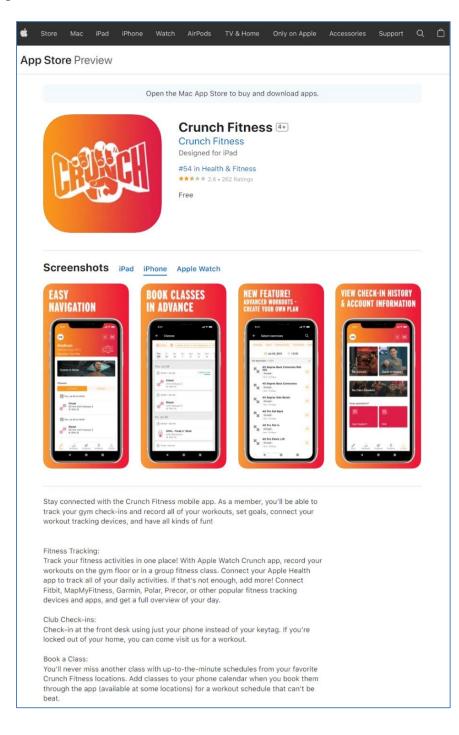


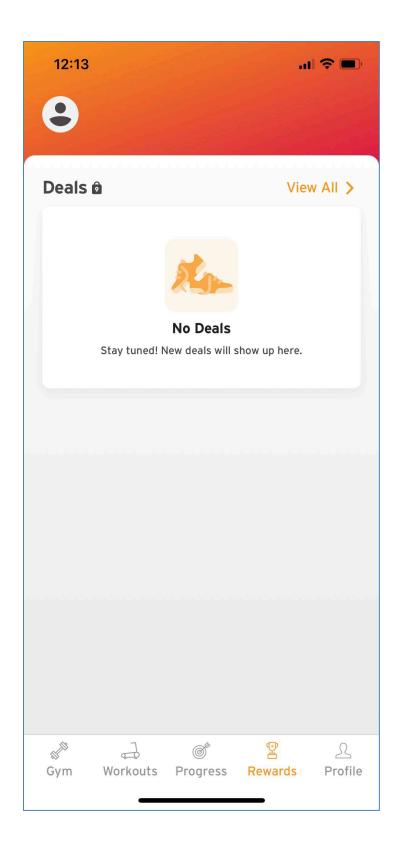
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 130 of 242



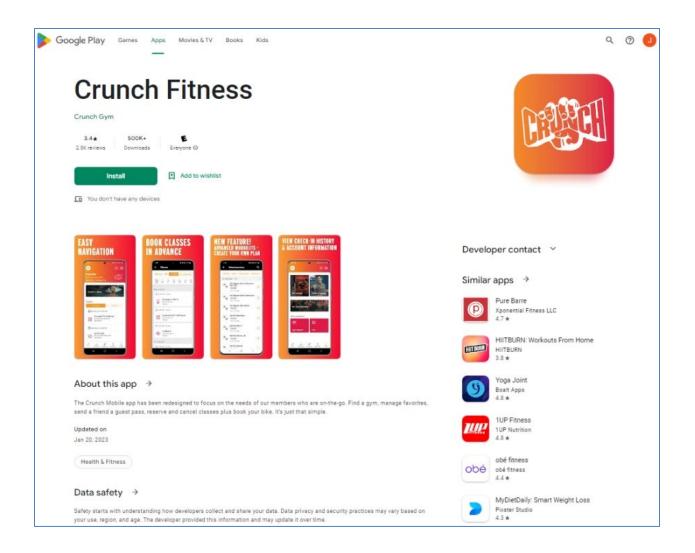
See e.g., screenshots of the Crunch iOS and Android Apps and features.

140. On information and belief, one or more components of the Crunch Marketing System employs and provides a method for processing negotiable economic credits through a wireless hand held device, comprising the step of retrieving the at least one negotiable economic credit.





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Ready, Set, Sweat

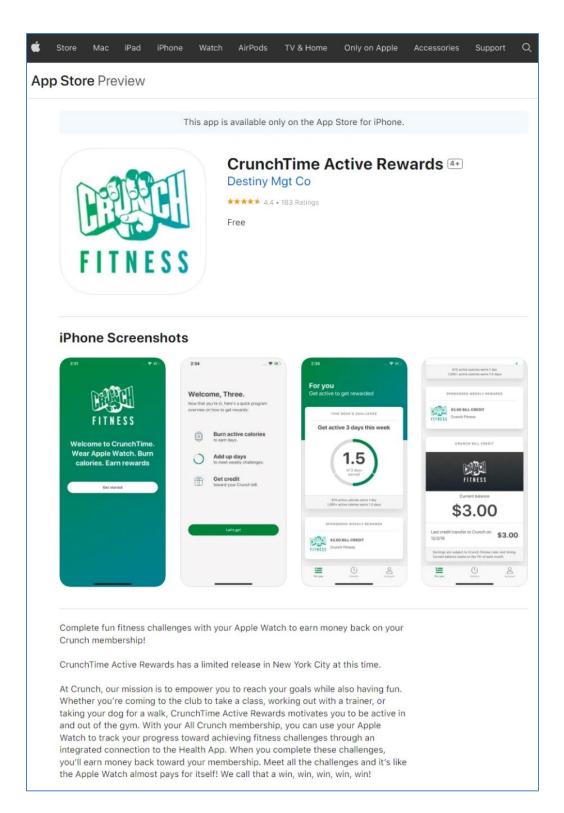


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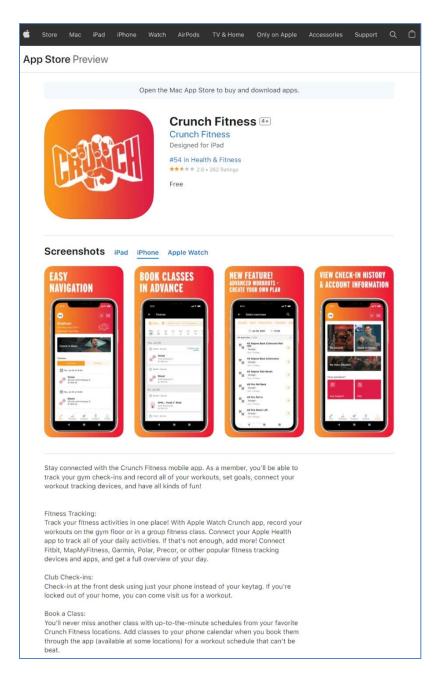
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 136 of 242

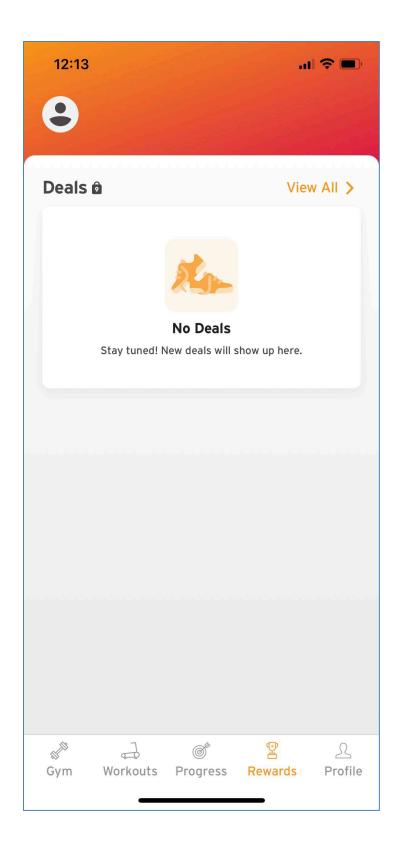


See e.g., screenshots of the Crunch iOS and Android Apps and features.

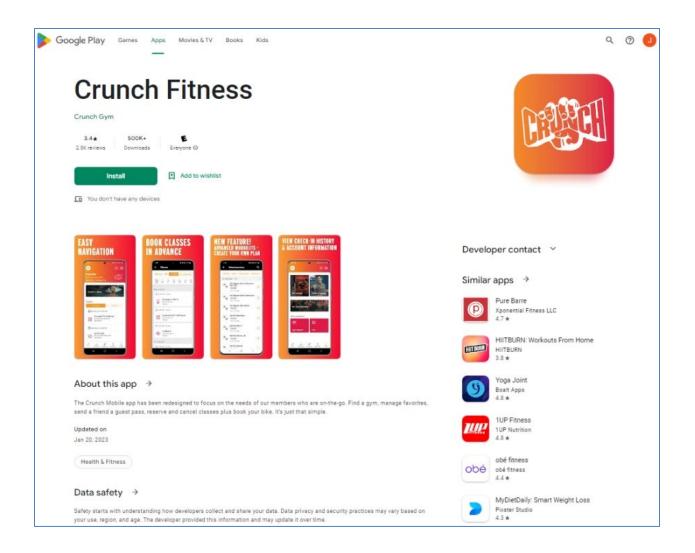
141. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method for processing negotiable economic credits through a wireless hand held device, comprising the step of transferring the at least one negotiable economic credit via the wireless network.





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Ready, Set, Sweat

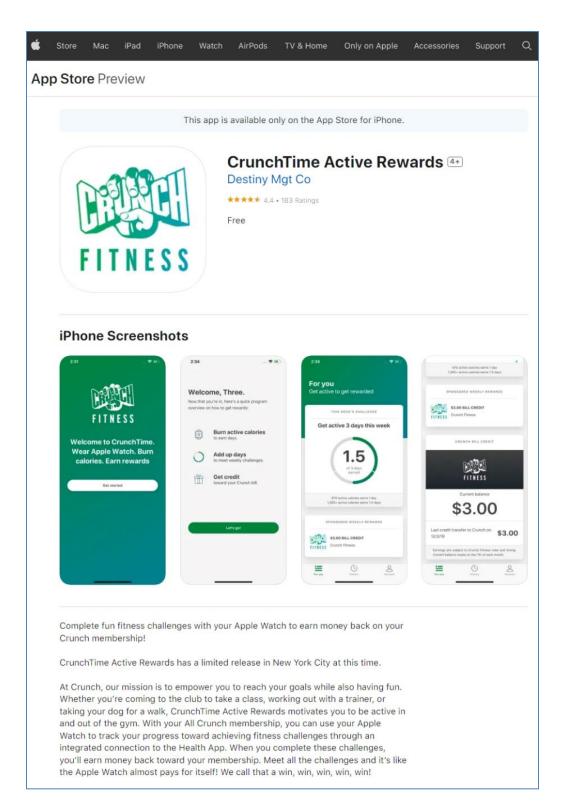


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See e.g., screenshots of the Crunch iOS and Android Apps and features.

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142. On information and belief, Crunch directly infringes at least claim 1 of the '057 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

143. On information and belief, Crunch has been on notice of the '057 patent since at least as early as the February 2023 Notice Letter to Crunch concerning Crunch's infringement of the Patents-in-Suit.

144. On information and belief, at least since February 10, 2023, Crunch knowingly encouraged and continues to encourage, its customers to directly infringe one or more claims of the '057 patent, including by Crunch's actions that include, without limitation, instructing and encouraging its customers to use the Crunch iOS and Android Apps, including but not limited to the examples of such materials cited above.

145. On information and belief, at least since the February 2023 Notice Letter regarding the Patents-in-Suit, Crunch knows the acts it induced its customers to take constitute patent infringement and Crunch's encouraging acts result in direct infringement of one or more claims of the '057 patent by its customers.

146. On information and belief, Crunch instructs and continues to instruct customers to use the Crunch's Marketing Products and Services including, without limitation, through Crunch's website, which provides access to, and support for, the Crunch iOS and Android Apps.

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147. On information and belief, Crunch's customers directly infringe at least claim 1 of the '057 patent through their use of the Crunch Marketing Products and Services.

148. On information and belief, Crunch is in violation of 35 U.S.C. § 271(b) and has been, at least since its February 2023 knowledge of the '057 patent, indirectly infringing and continues to indirectly infringe at least claim 1 of the '057 patent by knowingly and specifically intending to induce infringement by others (including, without limitation, Crunch's customers) and possessing specific intent to encourage infringement by Crunch's users of the iOS and Android Apps. The components of Crunch's Marketing Products and Services, including its iOS and Android Apps, are specifically configured to function in accordance with the '057 patent claims and are material parts of the invention.

149. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

#### Count V – Infringement of United States Patent No. 8,150,736

150. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

151. On information and belief, Crunch (or those acting on its behalf) made, used, sold, imported and/or offered to sell the Crunch Marketing Products, and Services; and made, used, sold, sold access to, imported, offered to sell and/or offered to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 1 of the '736 patent.

144

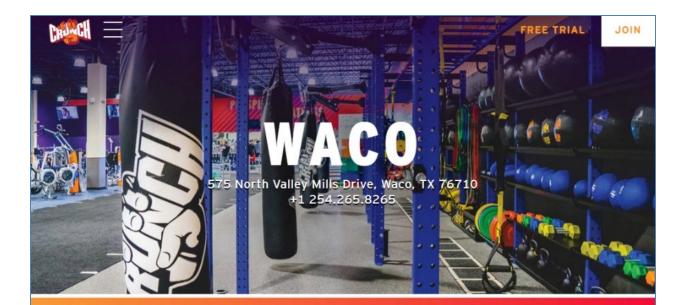
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 145 of 242

152. On information and belief, one or more components of the Crunch Marketing System employs and provides a method in a computing system having a processor, (*e.g.*, a Crunch webserver) comprising the step of receiving a request for a web page, the request including a locale identifier value, the locale identifier value referencing a geographic location associated with a referral website and a language associated with a webpage of the referral website containing a link used to generate the request.

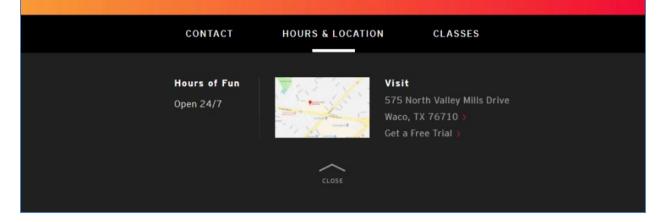
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 146 of 242



#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 147 of 242



#### CHECK US OUT WITH A FREE 3-DAY GUEST PASS.

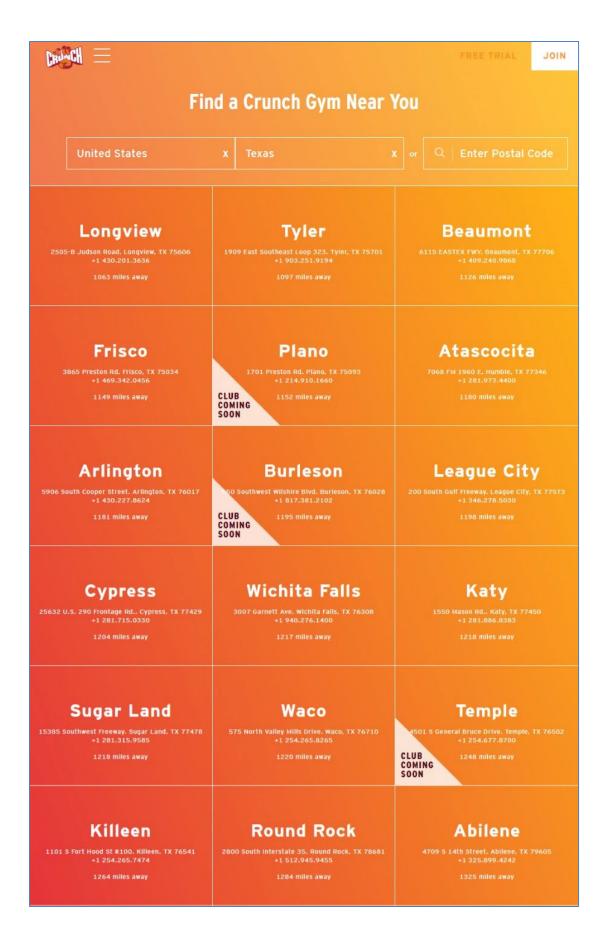


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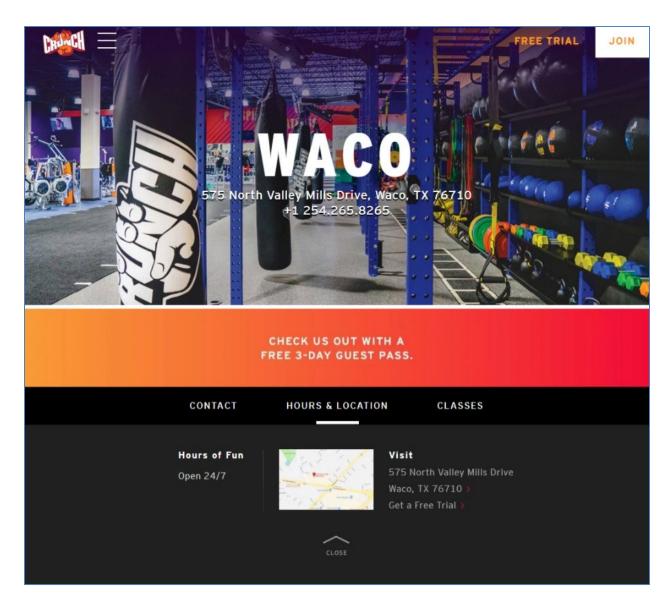
*See e.g.,* https://www.crunch.com/locations/waco.

153. On information and belief, one or more components of the Crunch Marketing System employs and provides a method in a computing system having a processor, (*e.g.*, a Crunch webserver) comprising the step of with the processor, retrieving a version of marketing information identified by processing the locale identifier value included in the request for the web page.

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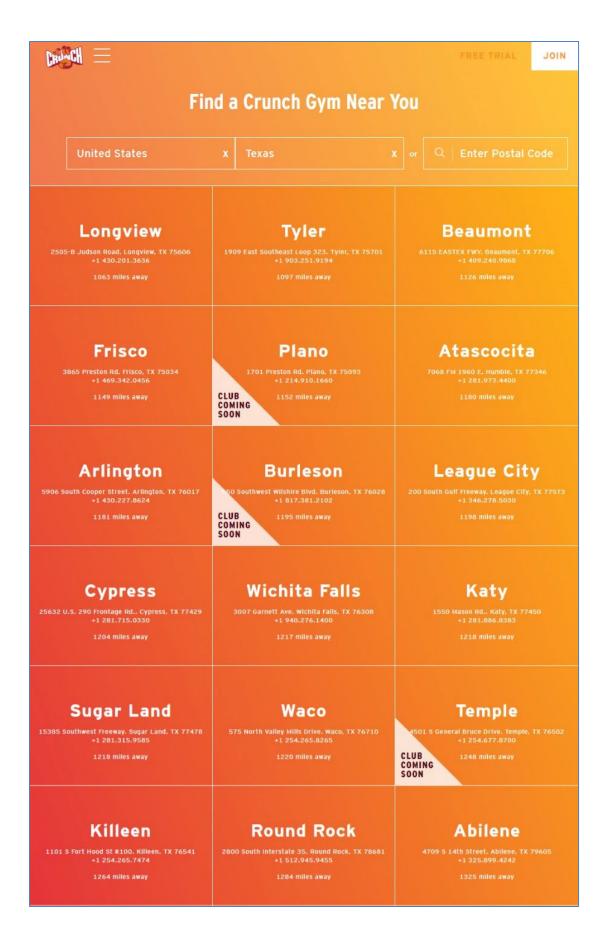
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 150 of 242



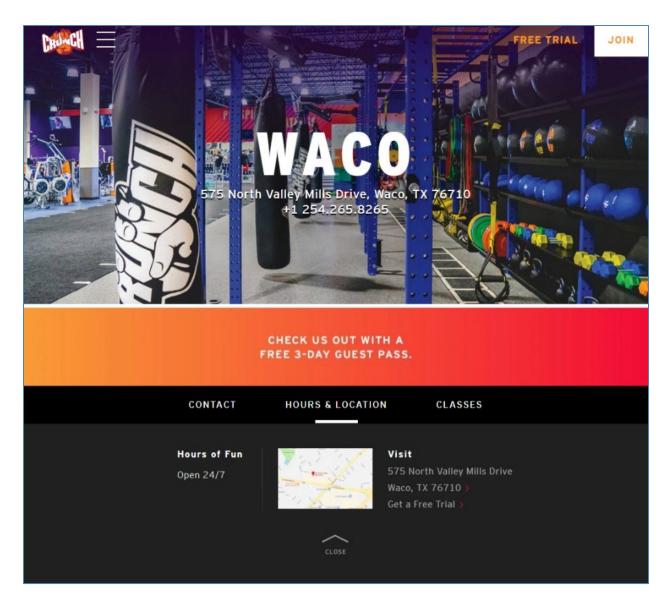
*See e.g.*, https://www.crunch.com/locations.

154. On information and belief, one or more components of the Crunch Marketing System employs and provides a method in a computing system having a processor, (e.g., a Crunch webserver) comprising the step of with the processor, generating the requested web page to include information representative of the retrieved version of the marketing information.

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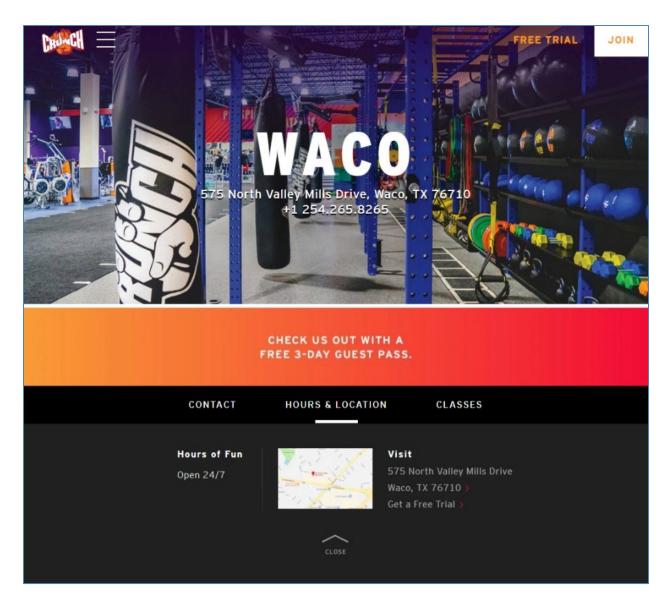
*See e.g.*, https://www.crunch.com/locations.

155. On information and belief, one or more components of the Crunch Marketing System employs and provides a method in a computing system having a processor, (*e.g.*, a Crunch webserver) comprising the step of transmitting the generated web page.

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*See e.g.,* https://www.crunch.com/locations.

156. On information and belief, Crunch directly infringes at least claim 1 of the '736 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 155 of 242

157. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

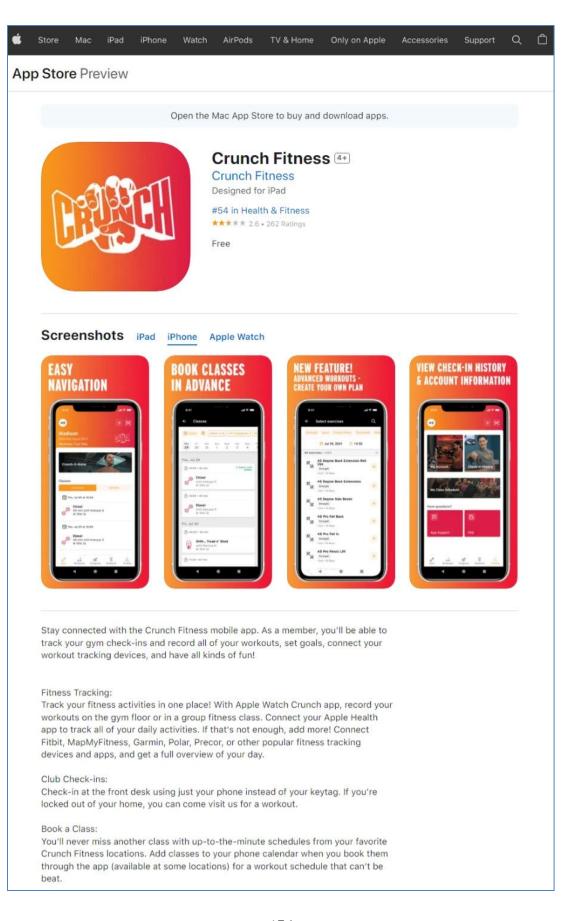
#### Count VI - Infringement of United States Patent No. 8,175,519

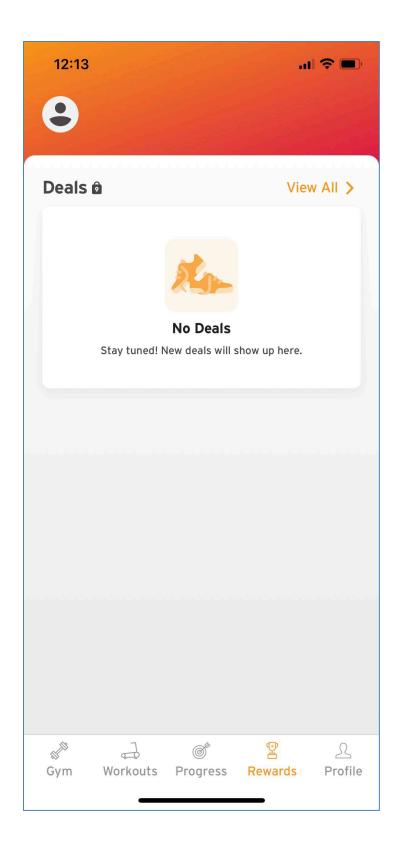
158. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

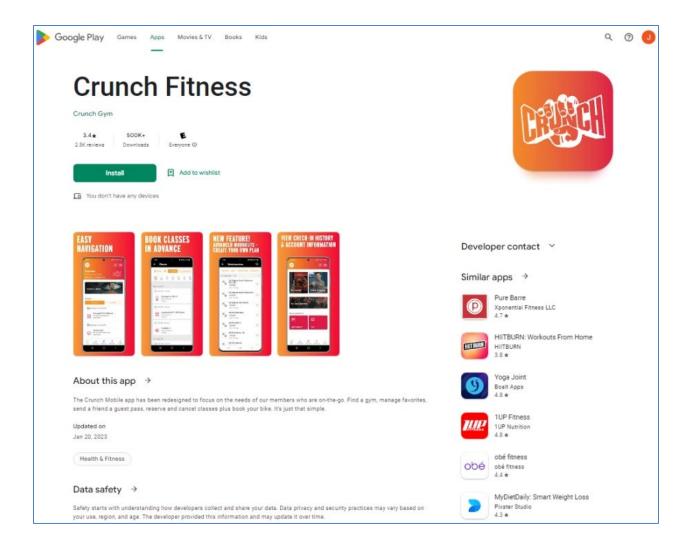
159. On information and belief, Crunch (or those acting on its behalf) made, used, sold, imported and/or offered to sell the Crunch Marketing Products, and Services; and made, used, sold, sold access to, imported, offered to sell and/or offered to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 22 of the '519 patent.

160. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of requesting at least one negotiable economic credit (*e.g.*, Crunch Coupons, Crunch Rewards, Crunch Payment Wallet, Crunch Gift Cards, *etc.*) through a wireless hand held device, (*e.g.*, a smart phone with the Crunch App installed) using a hand held device.

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Ready, Set, Sweat

Log your workouts & get rewarded. Many of our clubs offer Apple GymKit enabled equipment, allowing you to sync your watch to the cardio machine of your choice so your workout is tracked for you! How cool is that?



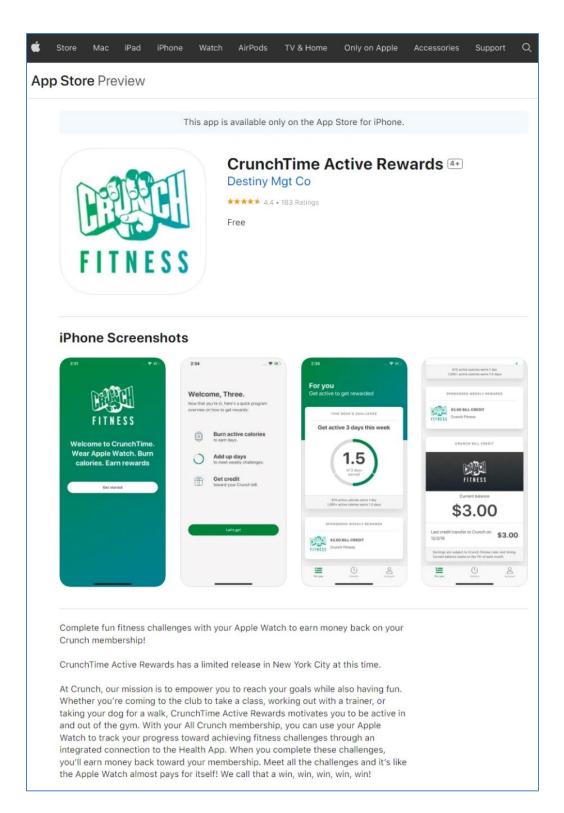
# **Get Rewarded**

Complete your CrunchTime Active Rewards weekly activity challenges & earn up to \$3 each week! Getting paid to workout? We call that a win-win.



Apple Watch SE requires an iPhone 6S or later with iOS 14 or later. Wireless service plan required for cellular service. Contact your service provider for more details. International roaming is not supported. Check apple.com/watch/cellular for participating wireless carriers and eligibility. See support.apple.com/en-us/HT207578 for additional setup instructions.

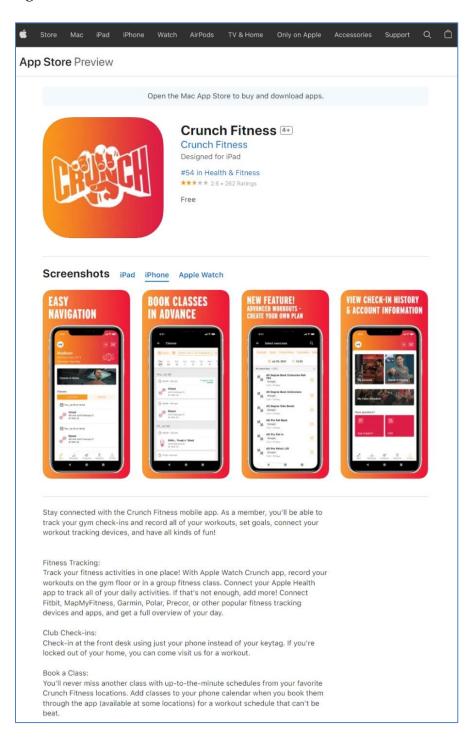
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 161 of 242

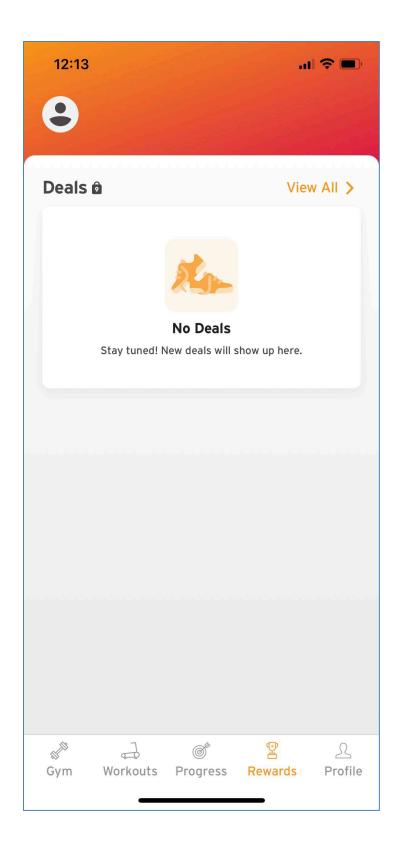


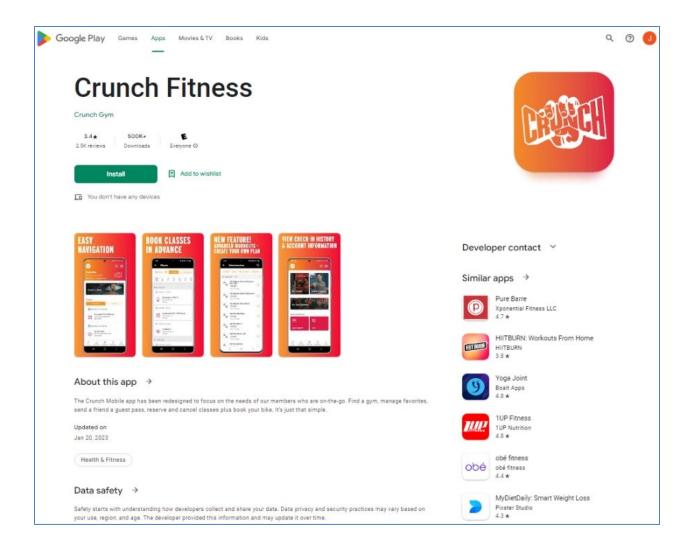
See e.g., screenshots of the Crunch iOS and Android Apps and features.

161. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method comprising the step of receiving the at least one negotiable economic credit at the hand held device.











Ready, Set, Sweat

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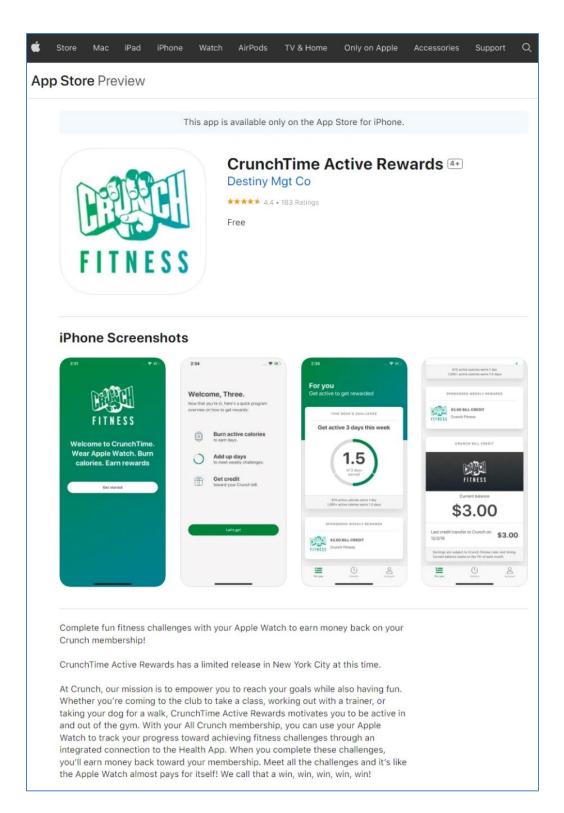
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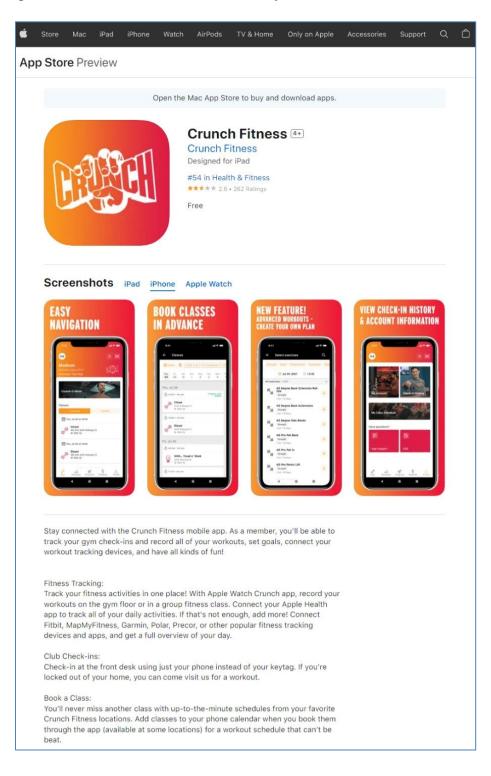
## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 167 of 242

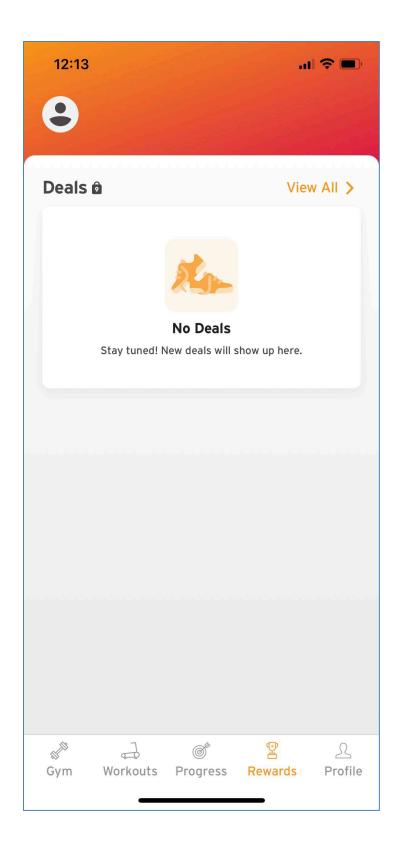


See e.g., screenshots of the Crunch iOS and Android Apps and features.

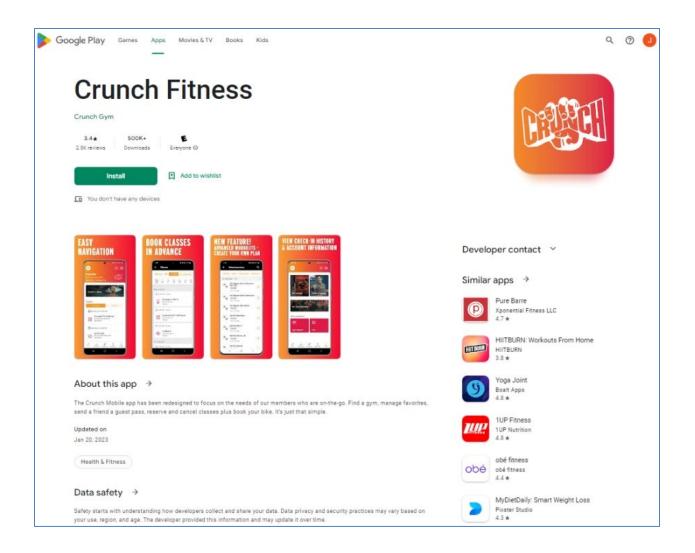
162. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method comprising the step of storing the at least one negotiable economic credit in a memory of the hand held device.





### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 170 of 242







Ready, Set, Sweat

Log your workouts & get rewarded. Many of our clubs offer Apple GymKit enabled equipment, allowing you to sync your watch to the cardio machine of your choice so your workout is tracked for you! How cool is that?



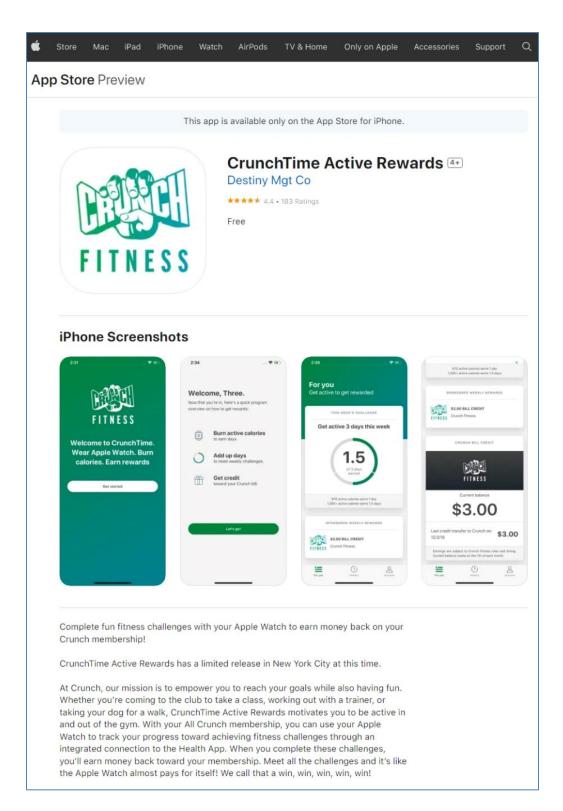
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Apple Watch SE requires an iPhone 6S or later with iOS 14 or later. Wireless service plan required for cellular service. Contact your service provider for more details. International roaming is not supported. Check apple.com/watch/cellular for participating wireless carriers and eligibility. See support.apple.com/en-us/HT207578 for additional setup instructions.

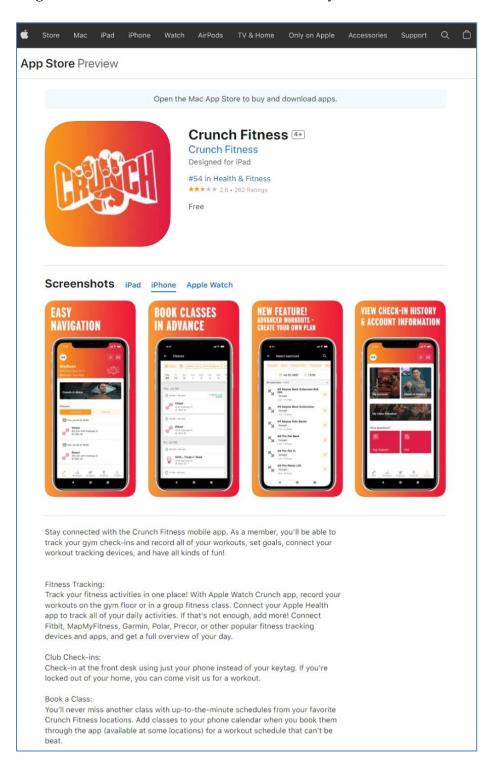
## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 173 of 242

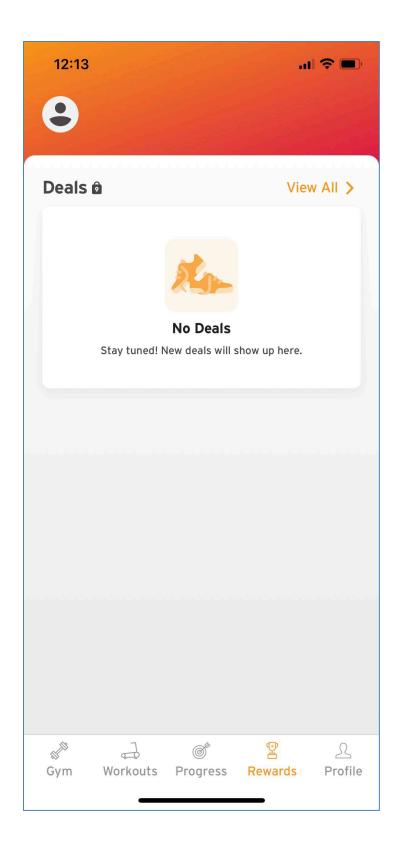


See e.g., screenshots of the Crunch iOS and Android Apps and features.

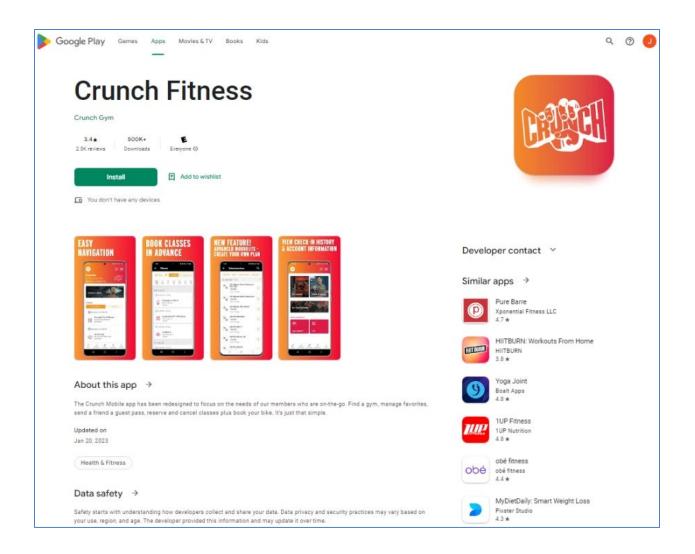
163. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method comprising the step of retrieving the at least one negotiable economic credit from the memory of the hand held device.





### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 176 of 242







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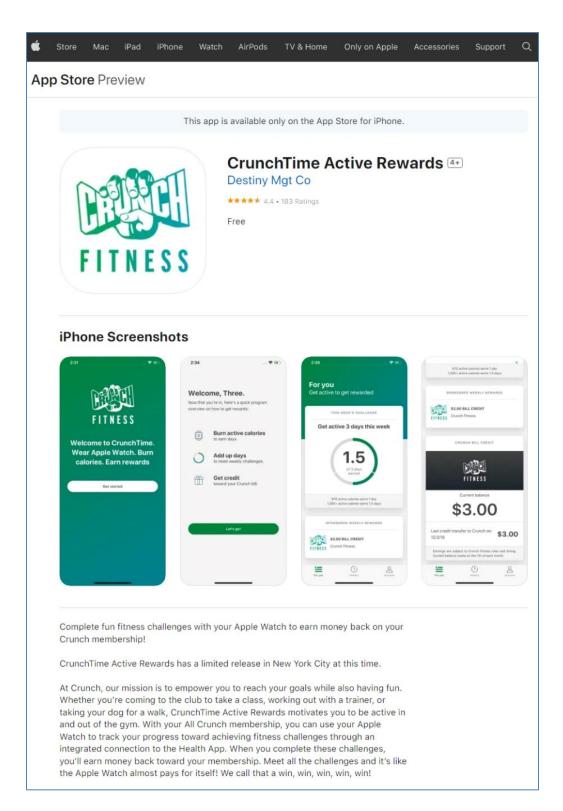
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Apple Watch SE requires an iPhone 6S or later with iOS 14 or later. Wireless service plan required for cellular service. Contact your service provider for more details. International roaming is not supported. Check apple.com/watch/cellular for participating wireless carriers and eligibility. See support.apple.com/en-us/HT207578 for additional setup instructions.

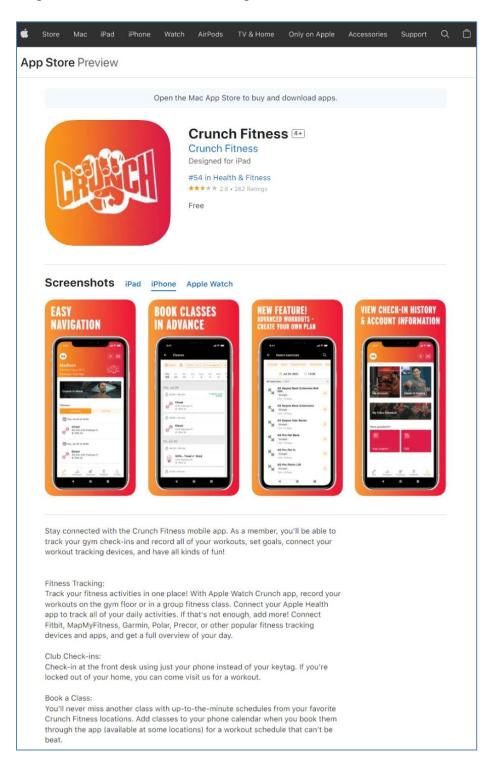
## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 179 of 242

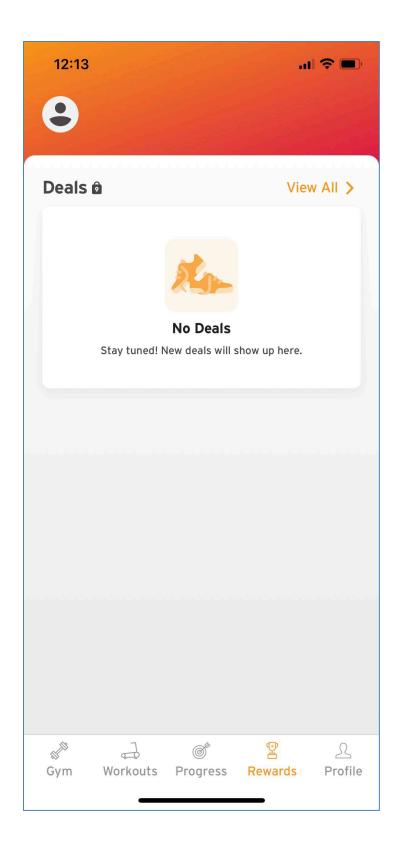


See e.g., screenshots of the Crunch iOS and Android Apps and features.

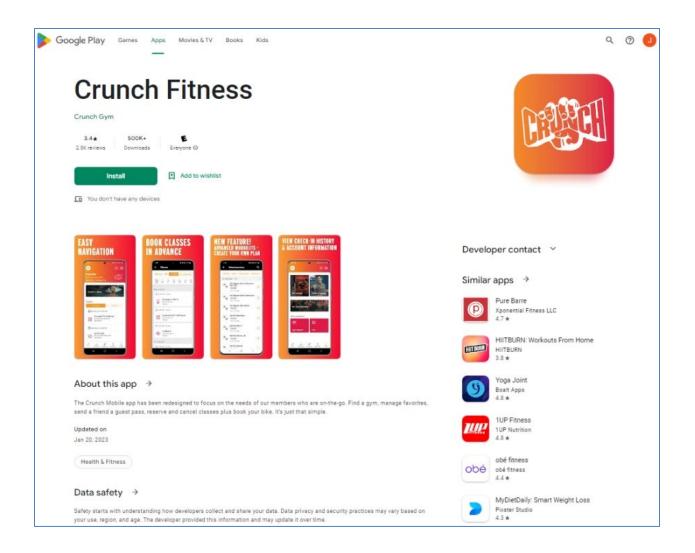
164. On information and belief, one or more components of the Crunch

Marketing System employs and provides a method comprising the step of sending the at least one negotiable economic credit using the hand held device.





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Ready, Set, Sweat

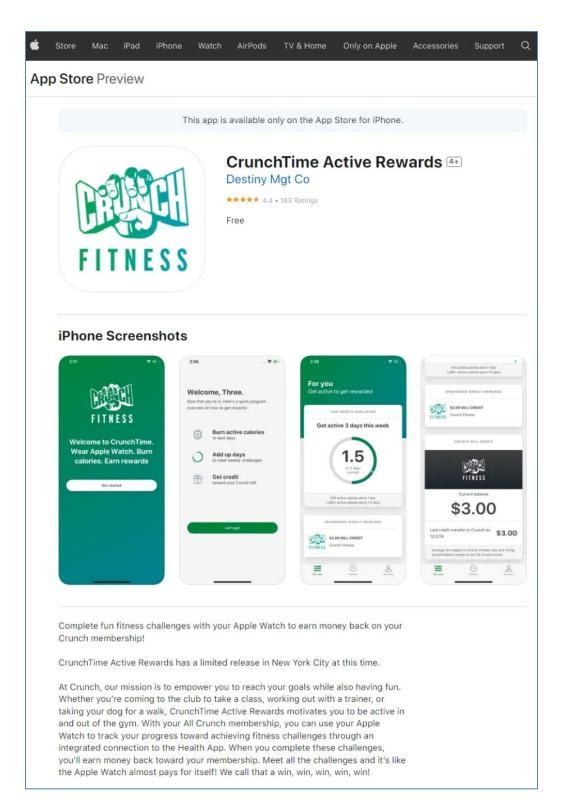


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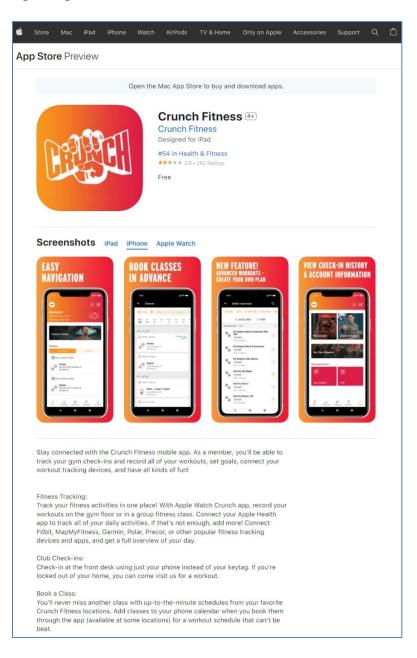


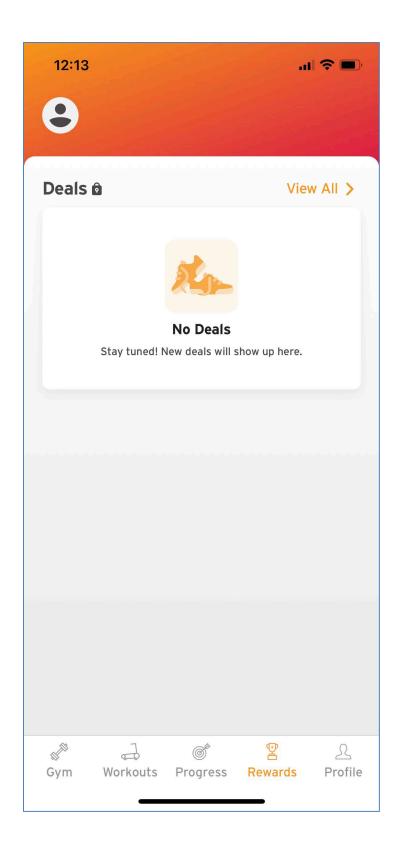
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 185 of 242

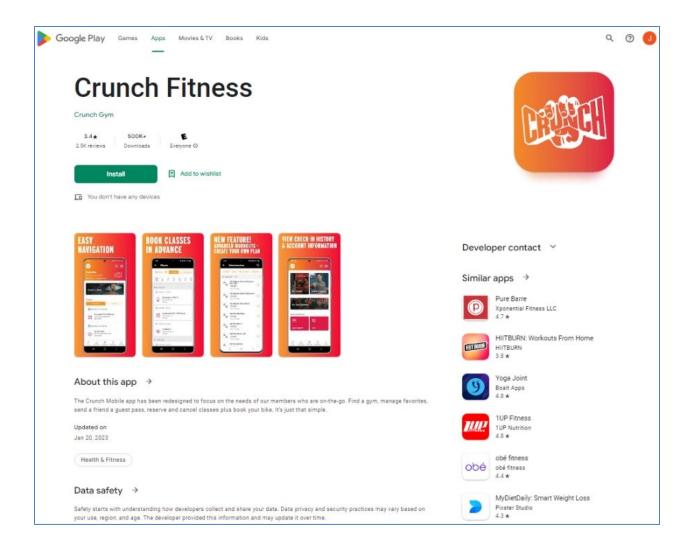


See e.g., screenshots of the Crunch iOS and Android Apps and features.

165. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of after sending the at least one negotiable economic credit, receiving, at the hand held device, a message indicating a negotiable economic credit was utilized.











Ready, Set, Sweat

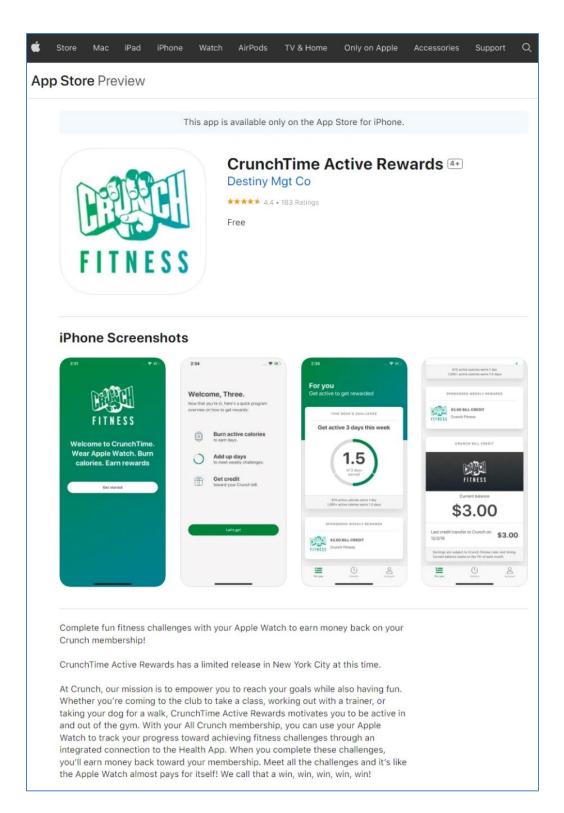


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See e.g., screenshots of the Crunch iOS and Android Apps and features.

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166. On information and belief, Crunch directly infringes at least claim 22 of the '519 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

167. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

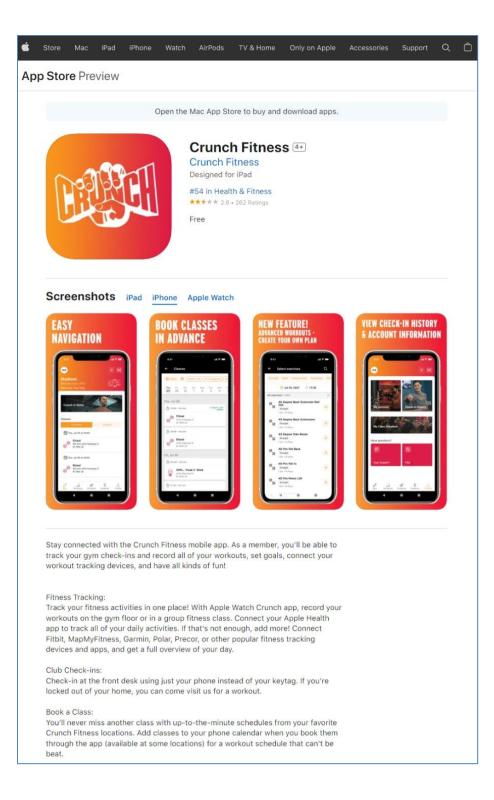
#### Count VII - Infringement of United States Patent No. 9,747,608

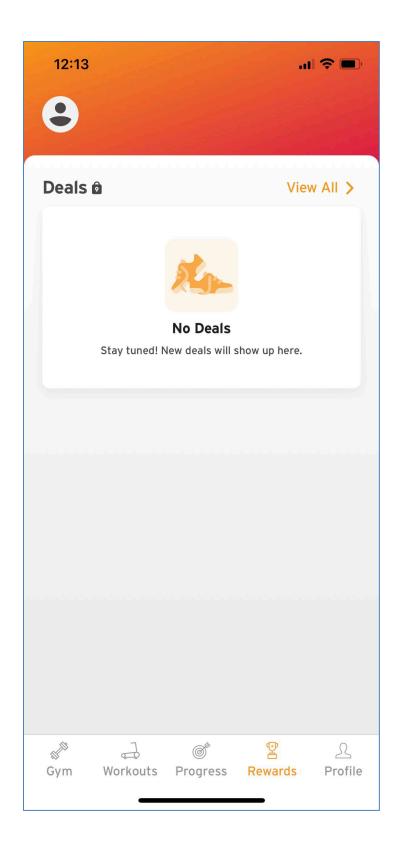
168. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

169. On information and belief, Crunch (or those acting on its behalf) makes, uses, sells, imports and/or offers to sell the Crunch Marketing Products, and Services; and makes, uses, sells, sells access to, imports, offers to sell and/or offers to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 10 of the '608 patent.

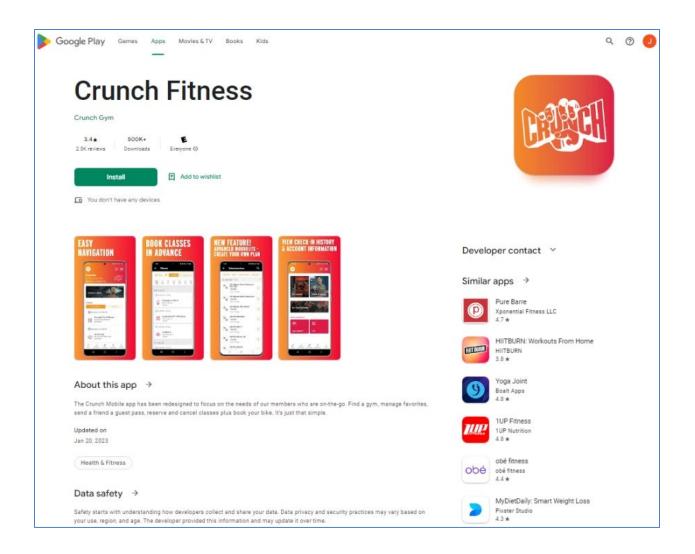
170. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of an electronic, portable device, (*e.g.*, a smartphone with the Crunch App installed) transmitting via a network connection, (*e.g.*, a cellular network connection, a Crunch in-store WIFI connection, etc.) to a computer system, (e.g., a Crunch server) a request for issuing a data structure corresponding to an account associated with the electronic, portable device.

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Ready, Set, Sweat

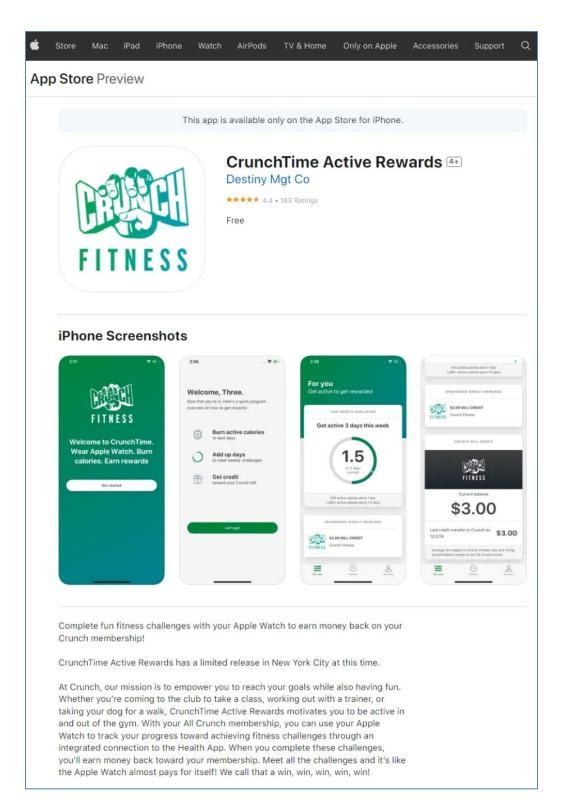


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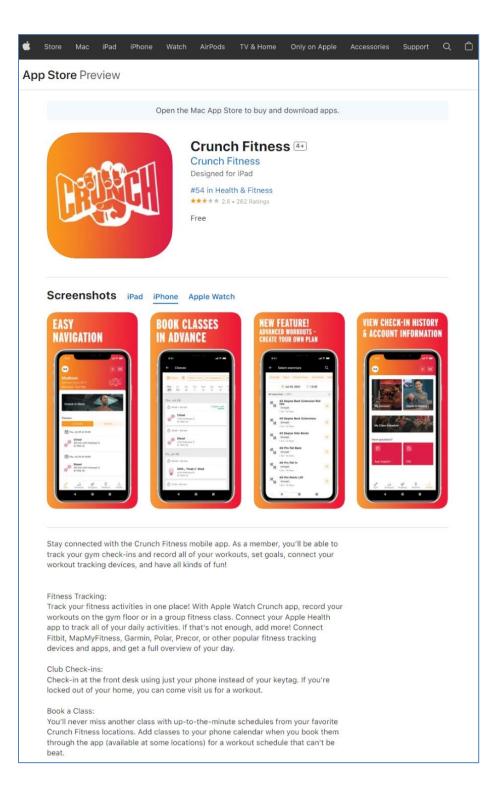
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 198 of 242

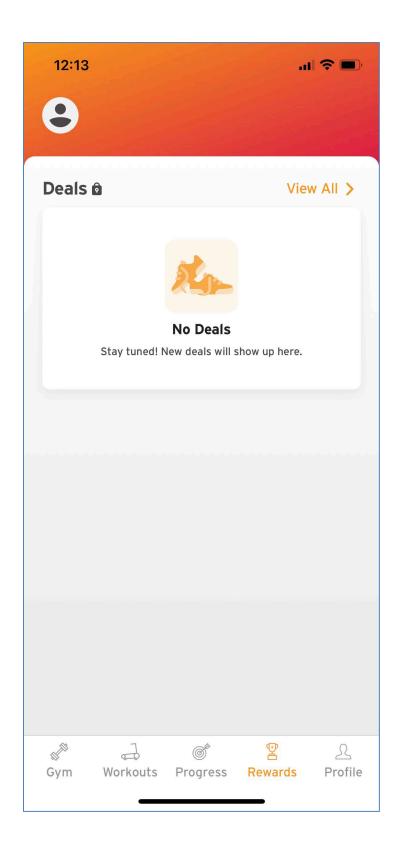


See e.g., screenshots of the Crunch iOS and Android Apps and features.

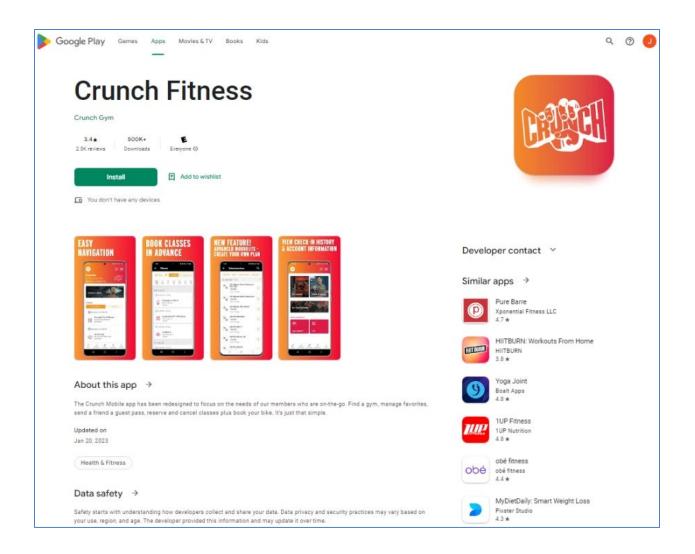
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 199 of 242

171. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of in response to the request, receiving, by the electronic, portable device, via the network connection, the data structure, wherein the data structure encodes information indicative of a particular item of negotiable economic credit (*e.g.*, Crunch Coupons, Crunch Rewards, Crunch Payment Wallet, Crunch Gift Cards, *etc.*) through a wireless hand held device, (*e.g.*, a smart phone with the Crunch App installed) and further includes authentication information usable to authenticate the particular item of negotiable economic credit.





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Ready, Set, Sweat

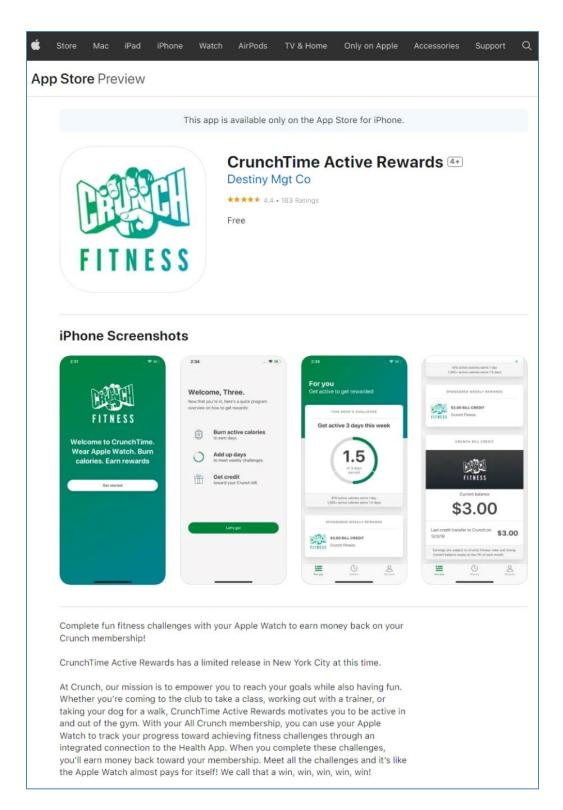


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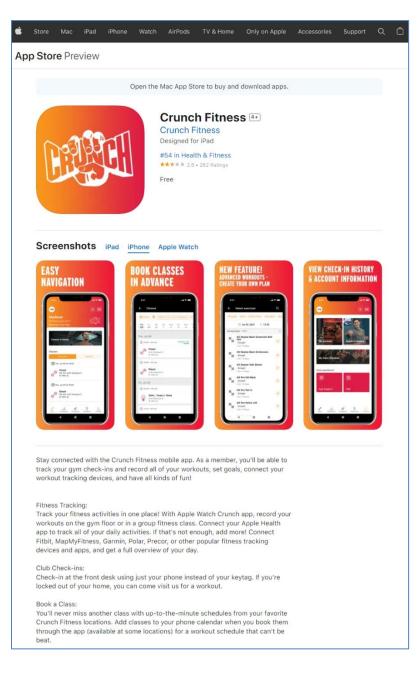


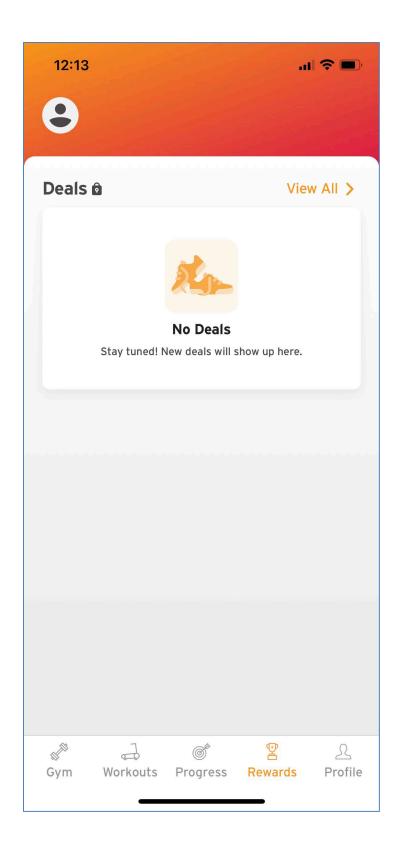
# Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 205 of 242

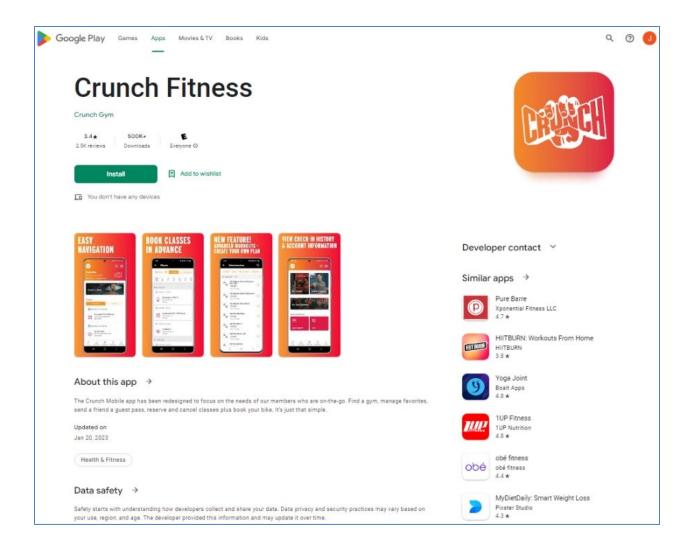


See e.g., screenshots of the Crunch iOS and Android Apps and features.

172. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of detecting, by the electronic, portable device, that a transaction has been initiated by a user for the electronic, portable device.











Ready, Set, Sweat

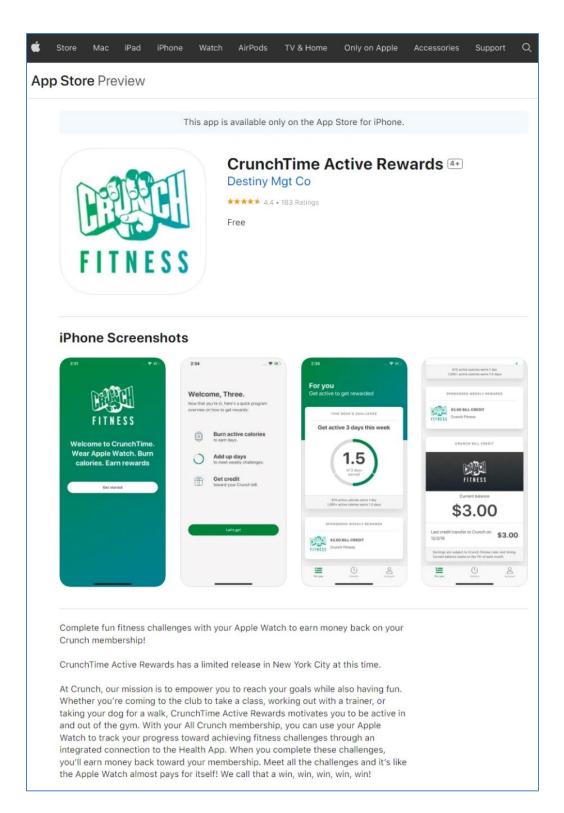


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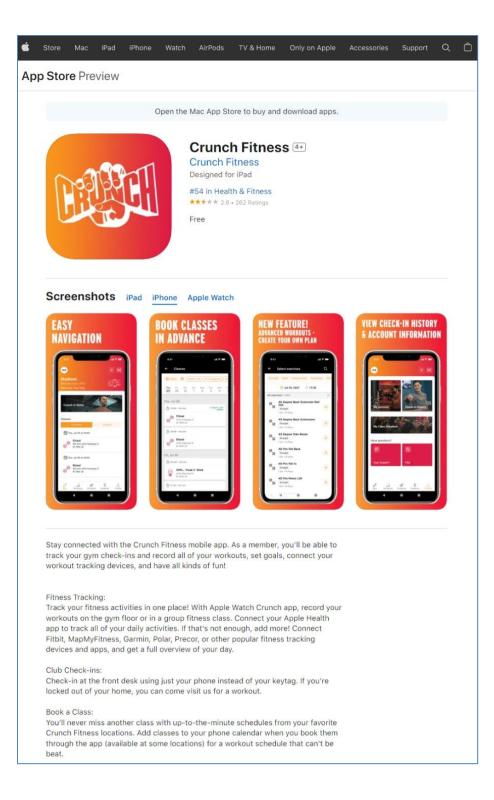
### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 211 of 242

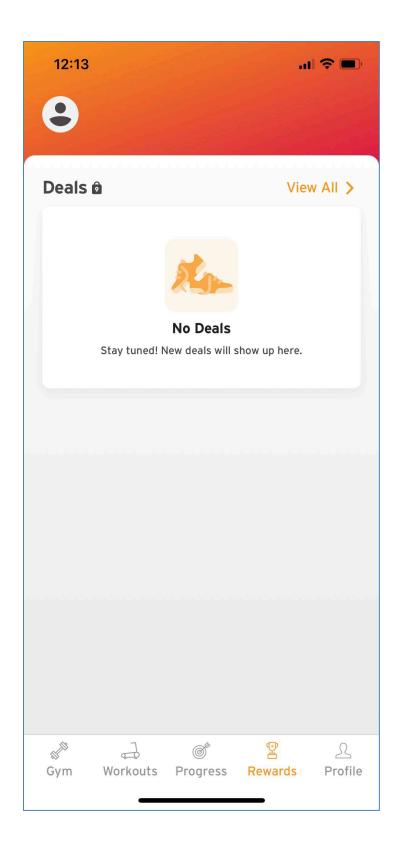


See e.g., screenshots of the Crunch iOS and Android Apps and features.

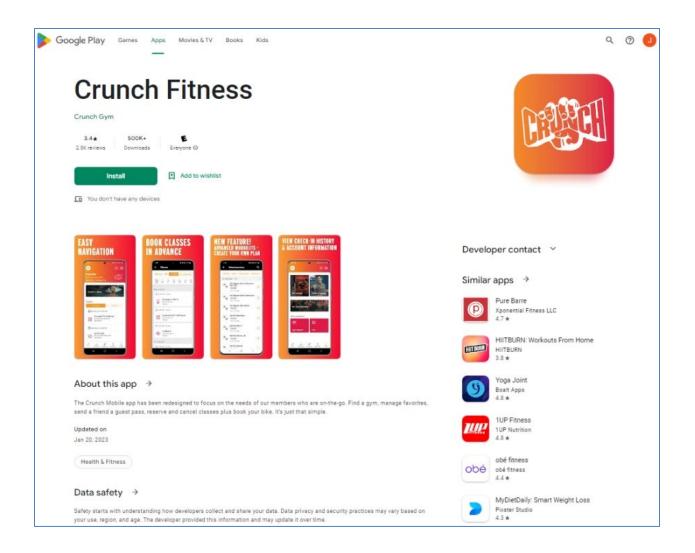
#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 212 of 242

173. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of in response to the detecting, the electronic, portable device transmitting, via the network connection, the information indicative of the particular item of negotiable economic credit and the authentication information to a point-of-sale (POS) device, (*e.g.*, a pointof-sale device located in an Crunch retail store location) and instructing the POS device to apply the particular item of negotiable economic credit to the transaction, wherein the POS device is one of a plurality of POS devices located in different establishments.





## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 215 of 242







Ready, Set, Sweat

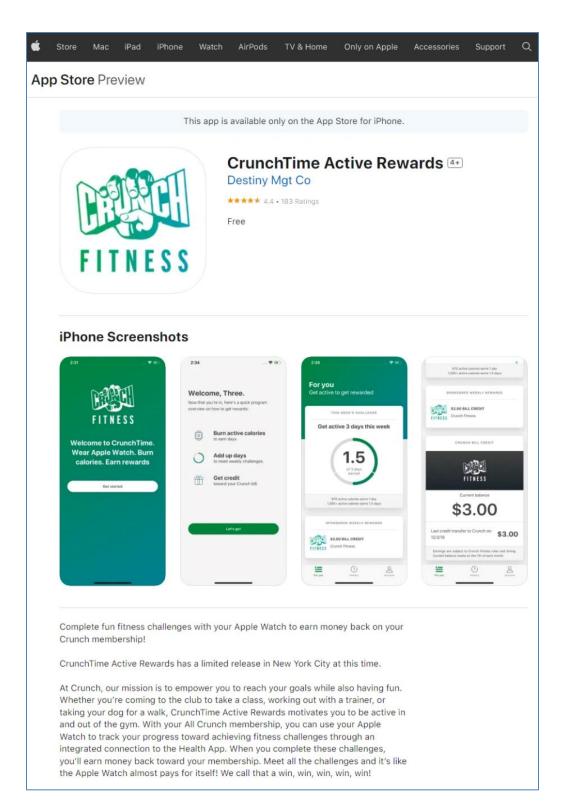


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## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 218 of 242



See e.g., screenshots of the Crunch iOS and Android Apps and features.

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174. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of receiving, by the electronic, portable device, authentication information indicating that the particular item of negotiable economic credit has been authenticated by the POS device and applied to the transaction.

175. On information and belief, Crunch directly infringes at least claim 10 of the '608 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

176. On information and belief, Crunch has been on notice of the '608 patent since at least as early as the February 2023 Notice Letter to Crunch concerning its infringement of the Patents-in-Suit.

177. On information and belief, at least since the February 2023 Notice Letter, Crunch knowingly encouraged and continues to encourage, its customers to directly infringe one or more claims of the '608 patent, including by Crunch's actions that include, without limitation, instructing and encouraging its customers to use the Crunch iOS and Android Apps, including but not limited to the examples of such materials cited above.

178. On information and belief, at least since the February 2023 Letter regarding the Patents-in-Suit, Crunch knows the acts it induced its customers to take

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#### Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 220 of 242

constitute patent infringement and Crunch's encouraging acts result in direct infringement of one or more claims of the '608 patent by its customers.

179. On information and belief, Crunch instructs and continues to instruct customers to use the Crunch Marketing Products and Services including, without limitation, through Crunch's website, which provides access to, and support for, the Crunch iOS and Android Apps.

180. On information and belief, Crunch's customers directly infringe at least claim 10 of the '608 patent through their use of the Crunch Marketing Products and Services.

181. On information and belief, Crunch is in violation of 35 U.S.C. § 271(b) and has been, at least since its February 2023 knowledge of the '608 patent, indirectly infringing and continues to indirectly infringe at least claim 10 of the '608 patent by knowingly and specifically intending to induce infringement by others (including, without limitation, Crunch's customers) and possessing specific intent to encourage infringement by Crunch's users of the iOS and Android Apps. The components of Crunch's Marketing Products and Services, including its iOS and Android Apps, are specifically configured to function in accordance with the '608 patent claims and are material parts of the invention.

182. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

220

### Count VIII - Infringement of United States Patent No. 10,783,529

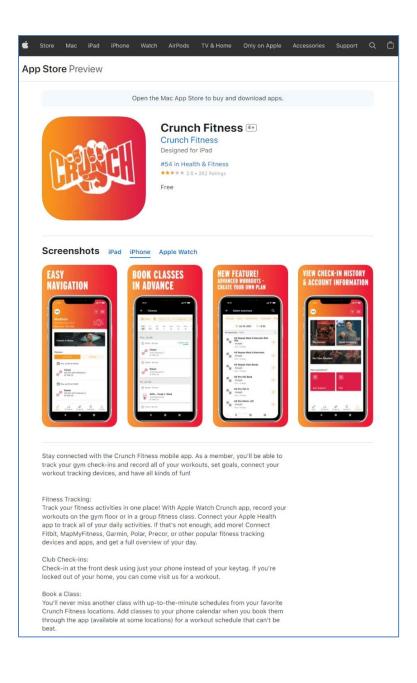
183. Advanced Transactions repeats, realleges, and incorporates by reference, as if fully set forth here, the allegations of the preceding paragraphs above.

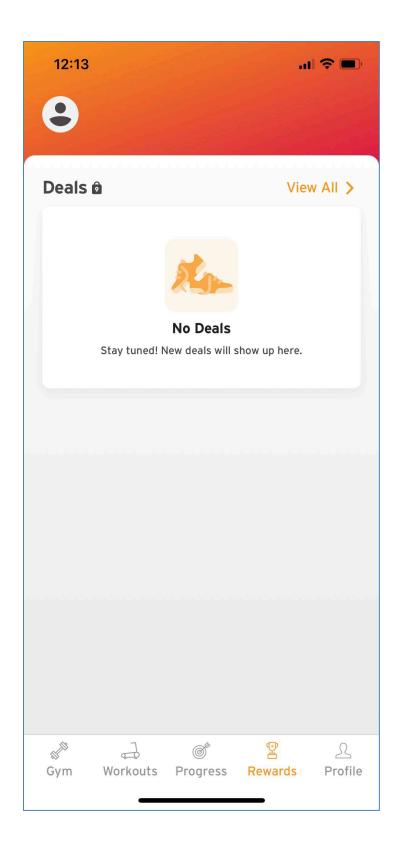
184. On information and belief, Crunch (or those acting on its behalf) made, used, sold, imported and/or offered to sell the Crunch Marketing Products, and Services; and made, used, sold, sold access to, imported, offered to sell and/or offered to sell access to the Crunch Marketing System in the United States that infringe (literally and/or under the doctrine of equivalents) at least claim 8 of the '529 patent.

185. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of storing, by an electronic, portable device, (*e.g.*, a smartphone with the Crunch App installed) a data structure, wherein the data structure encodes information indicative of a particular item of negotiable economic credit ((*e.g.*, Crunch Coupons, Crunch Rewards, Crunch Payment Wallet, Crunch Gift Cards, *etc.*) through a wireless hand held device, (*e.g.*, a smart phone with the Crunch App installed) and further includes authentication information usable to authenticate the particular item of negotiable economic credit.

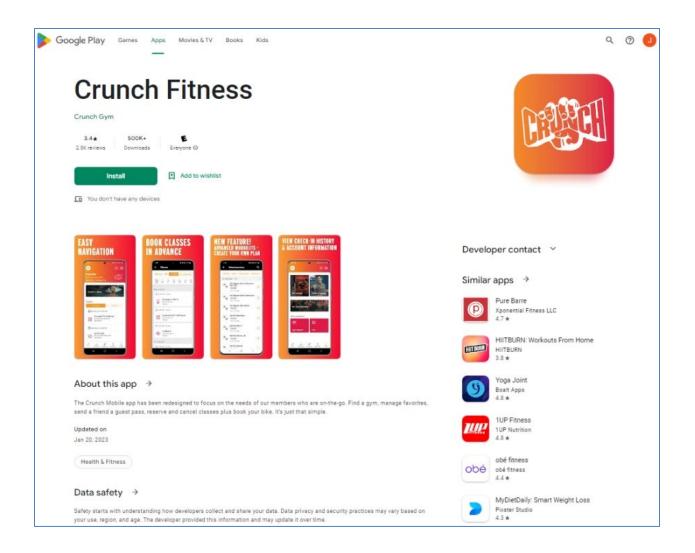
221

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Ready, Set, Sweat

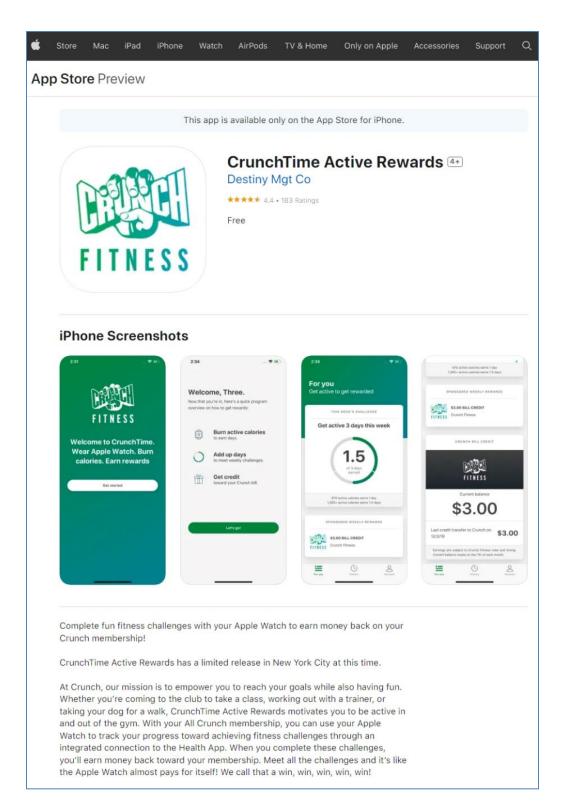


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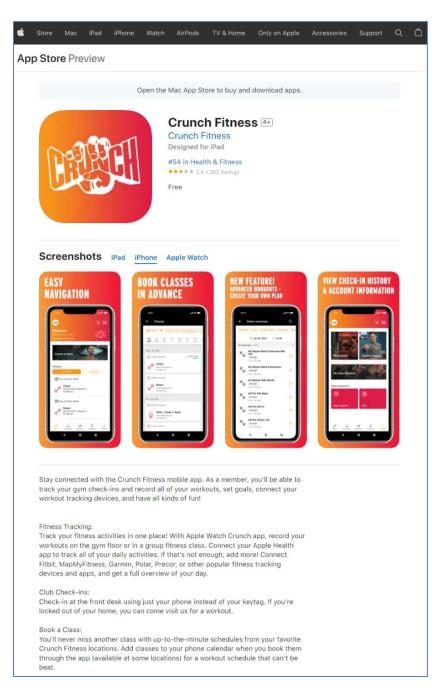


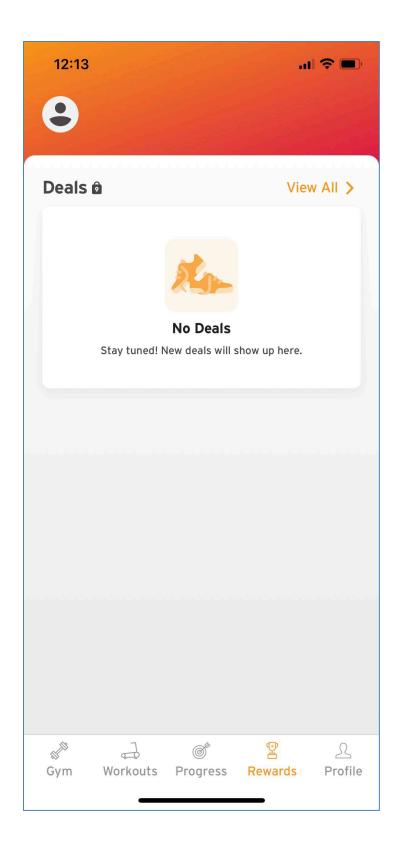
## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 227 of 242



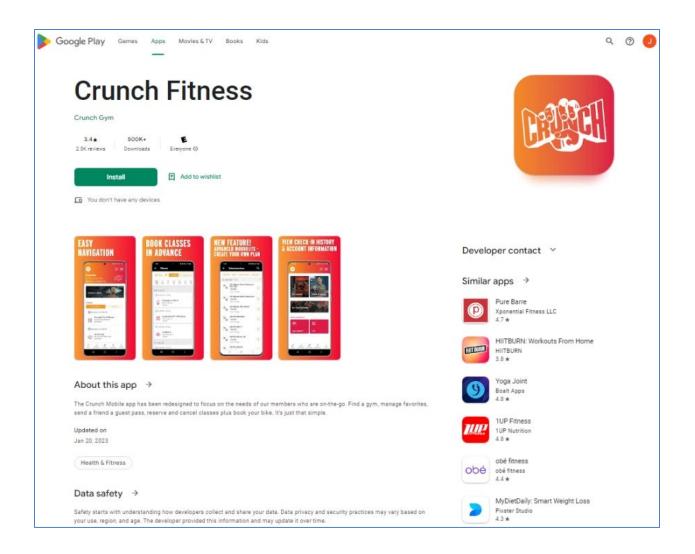
See e.g., screenshots of the Crunch iOS and Android Apps and features.

186. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of detecting, by the electronic, portable device, that a transaction has been initiated by a user of the electronic, portable device.





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Ready, Set, Sweat

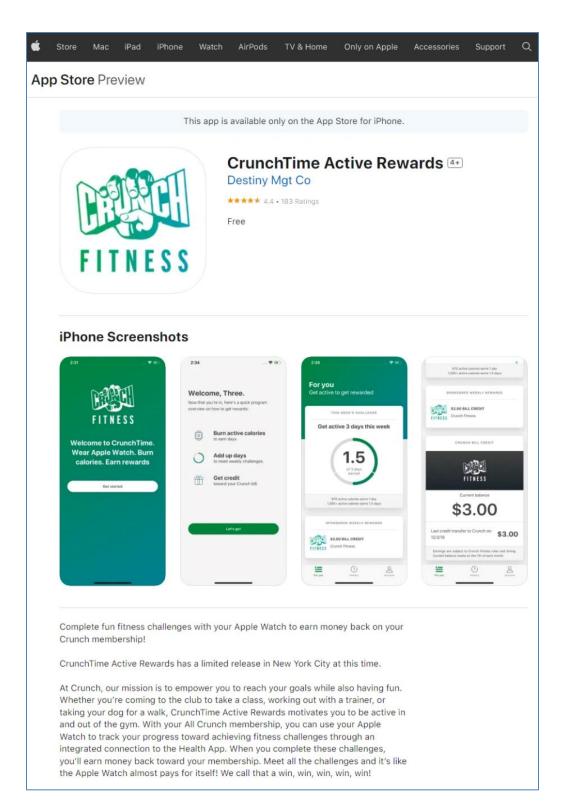


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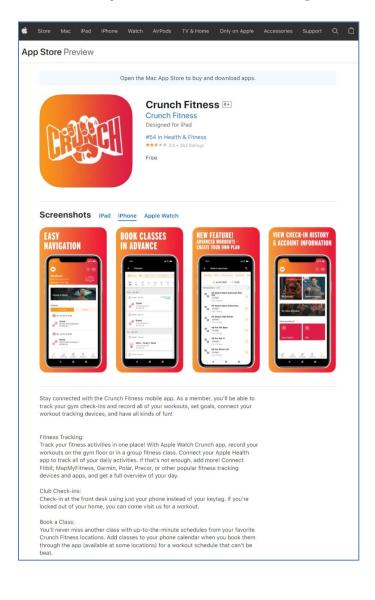
## Case 6:24-cv-00165-DAE Document 1 Filed 03/29/24 Page 233 of 242

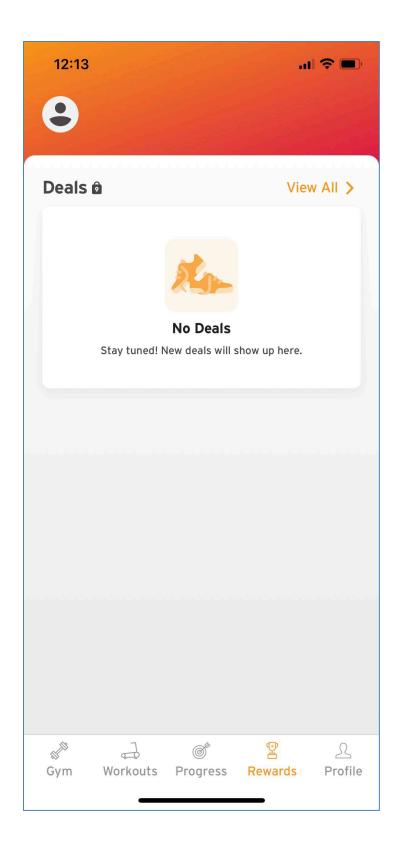


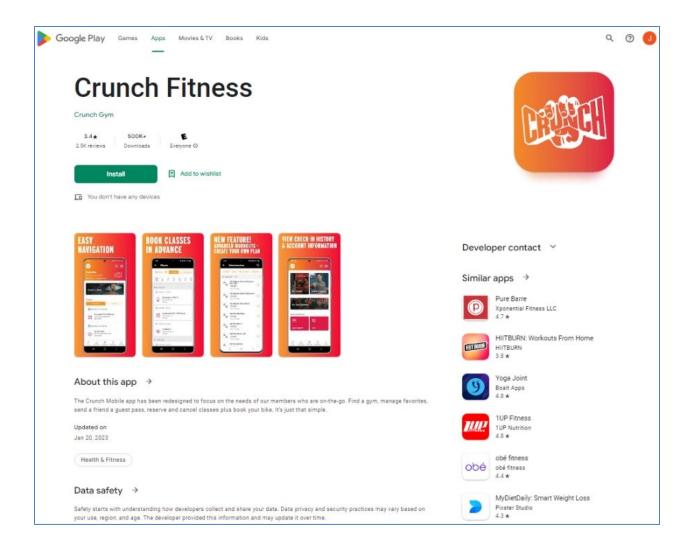
See e.g., screenshots of the Crunch iOS and Android Apps and features.

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187. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of in response to the detecting, the electronic, portable device transmitting the information indicative of the particular item of negotiable economic credit and the authentication information to a point-of-sale (POS) device, and instructing the POS device to apply the particular item of negotiable economic credit to the transaction such that a discount associated with the transaction is received by the user of the electronic, portable device.











Ready, Set, Sweat

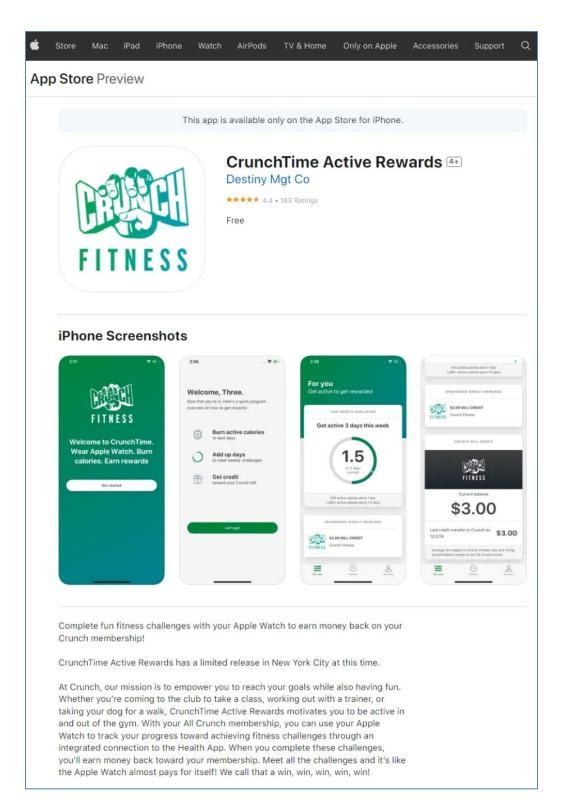


# Get Rewarded

Complete your CrunchTime Active Rewards weekly activity challenges & earn up to \$3 each week! Getting paid to workout? We call that a win-win.



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See e.g., screenshots of the Crunch iOS and Android Apps and features.

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188. On information and belief, one or more components of the Crunch Marketing System employs and provides a method comprising the step of receiving, by the electronic, portable device, a message indicating that the particular item of negotiable economic credit has been authenticated by the POS device and applied to the transaction.

189. On information and belief, Crunch directly infringes at least claim 8 of the '529 patent and is in violation of 35 U.S.C. § 271(a) by making, using, selling, importing, and/or offering to sell the Crunch Marketing Products and Services; and making, using, selling, selling access to, importing, offering for sale, and/or offering to sell access to the Crunch Marketing System.

190. Crunch's direct infringement has damaged Advanced Transactions and caused it to suffer and continue to suffer irreparable harm and damages.

#### JURY DEMANDED

191. Pursuant to Federal Rule of Civil Procedure 38(b), Advanced Transactions hereby requests a trial by jury on all issues so triable.

### PRAYER FOR RELIEF

Advanced Transactions respectfully requests this Court to enter judgment in Advanced Transaction's favor and against Crunch as follows:

- a. finding that Crunch has infringed one or more claims of the '555 patent under 35
   U.S.C. § 271(a);
- b. finding that Crunch has infringed one or more claims of the '594 patent under 35
  U.S.C. § 271(a);

- c. finding that Crunch has infringed one or more claims of the '950 patent under 35
   U.S.C. § 271(a);
- d. finding that Crunch has infringed one or more claims of the '057 patent under 35
  U.S.C. §§ 271(a) and (b);
- e. finding that Crunch has infringed one or more claims of the '736 patent under 35 U.S.C. § 271(a);
- f. finding that Crunch has infringed one or more claims of the '519 patent under 35
   U.S.C. § 271(a);
- g. finding that Crunch has infringed one or more claims of the '608 patent under 35 U.S.C. §§ 271(a) and (b);
- h. finding that Crunch has infringed one or more claims of the '529 patent under 35
   U.S.C. § 271(a);
- i. awarding Advanced Transactions damages under 35 U.S.C. § 284, or otherwise permitted by law, including supplemental damages for any continued postverdict infringement;
- j. awarding Advanced Transactions pre-judgment and post-judgment interest on the damages award and costs;
- k. declaring that AutoZone has willfully infringed one or more claims of the Patents-in-Suit;
- awarding treble damages pursuant to 35 U.S.C. § 284 as a result of AutoZone's willful conduct in relation to one or more claims of the Patents-in-Suit;

- m. awarding cost of this action (including all disbursements) and attorney fees pursuant to 35 U.S.C. § 285, or as otherwise permitted by the law; and
- n. awarding such other costs and further relief that the Court determines to be just and equitable.

Dated: March 29, 2024

Respectfully submitted, /s/ Zachary H. Ellis Zachary H. Ellis\* Texas State Bar No. 24122606 zellis@daignaultiyer.com Tel. 512-829-7992

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