

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

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|---|---|----------------------------|
| UNIVERSAL SECURE REGISTRY LLC, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | C.A. No. _____ |
| |) | |
| APPLE INC., VISA INC., and VISA U.S.A., |) | JURY TRIAL DEMANDED |
| INC., |) | |
| |) | |
| Defendant. |) | |
| |) | |

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Universal Secure Registry LLC ("USR") hereby asserts the following claims for patent infringement against Defendants Apple Inc. ("Apple"), and Visa Inc. and Visa U.S.A. Inc. (collectively, "Visa," and with Apple, "Defendants"), and alleges as follows:

NATURE OF THE ACTION

1. This is a civil action for patent infringement under the patent laws of the United States, 35 U.S.C. § 1, *et seq.*
2. Defendants have infringed and continue to infringe, have contributed to and continue to contribute to infringement of, and have induced and continue to induce infringement of one or more claims of USR's U.S. Patent Nos. 8,577,813 ("the '813 patent"), 8,856,539 ("the '539 patent"), 9,100,826 ("the '826 patent"), and 9,530,137 ("the '137 patent") (collectively, the "Asserted Patents") at least by providing products, systems and services related to the Apple Pay service.
3. USR is the legal owner by assignment of the Asserted Patents, which were duly and legally issued by the United States Patent and Trademark Office ("USPTO"). USR seeks injunctive relief and monetary damages.

THE PARTIES

4. USR is a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts with its principal place of business at 59 Sargent St. in Newton, Massachusetts.

5. Upon information and belief, Defendant Apple Inc. is a corporation organized and existing under the laws of the State of California with its principal place of business at 1 Infinite Loop, Cupertino, California.

6. Upon information and belief, Defendant Visa Inc. is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 900 Metro Center Boulevard in Foster City, California.

7. Upon information and belief, Defendant Visa U.S.A. Inc. is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 900 Metro Center Boulevard in Foster City, California.

8. Upon information and belief, each of the Defendants directly and/or indirectly imports, develops, designs, manufactures, distributes, markets, offers to sell and/or sells infringing products and services in the United States, including in the District of Delaware, and otherwise purposefully directs infringing activities to this District in connection with providing the Apple Pay service.

9. Upon information and belief and as further explained below, Defendants have been and are acting in concert and are otherwise liable jointly, severally or otherwise for a right to relief related to or arising out of the same transaction, occurrence or series of transactions or occurrences related to the making, using, importing into the United States, offering for sale or selling of at least one infringing product, process, or service in this District in connection with

providing the Apple Pay service. In addition, this action involves questions of law and fact that are common to all Defendants.

JURISDICTION AND VENUE

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

11. This Court has subject matter jurisdiction over the matters asserted herein under 28 U.S.C. §§ 1331 and 1338(a).

12. Apple is subject to this Court's personal jurisdiction. Apple has infringed USR's patents in Delaware by, among other things, engaging in infringing conduct within and directed at or from this District. For example, Apple has purposefully and voluntarily placed one or more of its infringing products, as described below, into the stream of commerce with the expectation that these infringing products will be used in this District. These infringing products have been and continue to be used in this District.

13. Apple employs individuals and operates a retail store at 125 Christiana Mall in Newark, Delaware in this District. Upon information and belief, this store sells more infringing iPhones than any other Apple retail location, and sells and/or supports the second-most volume of infringing products out of any Apple retail location. *See* "Apple's (AAPL) Delaware Store Claims Title for Selling Most iPhones," *available at* <http://abcnews.go.com/Business/apples-delaware-store-claims-title-selling-iphones/story?id=20650009>.

14. Customers use the infringing Apple Pay service with their Apple devices at a large number of retailers with locations within this District, including Ace Hardware, Chevron, Dunkin' Donuts, KFC, Macy's, McDonald's, Starbucks, and Subway. *See* "Apple Pay: Where to Use," *available at* <https://www.apple.com/apple-pay/where-to-use/>.

15. Apple has also repeatedly availed itself of the jurisdiction of this Court by filing complaints for patent infringement in this District (*see, e.g., Apple Inc. v. HTC Corp. et al*, C.A. No. 11-611-GMS; *Apple Inc. v. HTC Corp. et al*, C.A. No. 10-544-GMS; *Apple Inc. v. HTC Corp. et al*, C.A. No. 10-167-GMS; *Apple Inc. v. HTC Corp. et al*, C.A. No. 10-166-GMS; *Apple Inc. v. Atico Int'l USA Inc. et al*, C.A. No. 8-283-GMS).

16. Visa is subject to this Court's personal jurisdiction. Visa Inc. and Visa U.S.A. Inc. are corporations organized and existing under the laws of the State of Delaware. Visa has infringed USR's patents in Delaware by, among other things, engaging in infringing conduct within and directed at/or from this District. For example, Visa has purposefully and voluntarily placed one or more of its infringing products, as described below, into the stream of commerce with the expectation that these infringing products will be used in this District. These infringing products have been and continue to be used in this District.

17. Visa employs individuals and is actively hiring individuals for positions located in Wilmington, Delaware, within this District. *See, e.g., "Careers at Visa," available at <https://usa.visa.com/careers.html>* (last accessed May 19, 2017).

18. Customers use the infringing Apple Pay service with their Visa payment cards at a large number of retailers with locations within this District, including Ace Hardware, Chevron, Dunkin' Donuts, KFC, Macy's, McDonald's, Starbucks, and Subway. *See "Apple Pay: Where to Use," available at <https://www.apple.com/apple-pay/where-to-use/>*.

19. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400 at least because, as discussed above, Visa is incorporated in this District and Apple has a regular and established place of business in this District, each Defendant is subject to personal jurisdiction in this District, each Defendant regularly conducts business in this District, and each

Defendant has committed and continues to commit acts of direct and indirect patent infringement complained of herein within this District.

USR'S HISTORY AND PATENTED TECHNOLOGY

20. USR was founded by Dr. Kenneth P. Weiss, the current Chairman and CEO of USR and a recognized expert in the fields of information systems security and identity authentication, especially computer-based multifactor identity authentication. Before starting USR, Dr. Weiss founded and served for many years as the CTO and Chairman of the Board of Security Dynamics Technologies Inc., now RSA Security LLC, a part of Dell Technologies. At Security Dynamics, Dr. Weiss invented the SecurID tokens and their underlying algorithm: technology that became a leading form of personal identity authentication for computer security and electronic commerce. Dr. Weiss' SecurID technology is being used by more than 150 million people, more than 90% of Fortune 500 companies, and corporations, consumers, governments, and banks in more than 30 countries. His technology has been used by all three branches of the United States government, including the Defense Department, the Treasury Department, the Senate, and the White House.

21. In connection with his work at USR, Dr. Weiss has developed and continues to develop innovative technological solutions for identity authentication, computer security, and digital and mobile payment security. USR's patented innovations allow a user to securely authenticate his or her identity using technology built into a personal electronic device combined with the user's own secret and/or biometric information. Such authentication is secure, useful, and convenient across a variety of contexts.

22. Applied to payment card transactions (for example, those involving credit, debit, charge, prepaid, gift, or rewards card accounts), USR's technology offers a state-of-the-art processing solution that is both highly secure and highly convenient. USR's patented technology

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