

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

PETER SPROGIS, an individual,

Plaintiff,

v.

GOOGLE INC., a Delaware corporation,

Defendant.

Civil Action No. _____

DEMAND FOR JURY TRIAL

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Peter Sprogis (“Plaintiff” or “Sprogis”), files this complaint against Google Inc. (“Defendant” or “Google”), alleging as follows:

THE PARTIES

1. Plaintiff Peter Sprogis, an individual, is a citizen of Canada. Plaintiff resides at 4673 Woodburn Road, West Vancouver, British Columbia, V7S 2W7, Canada.
2. Defendant Google, on information and belief, is a corporation organized under the laws of the State of Delaware, and has a principal place of business at 1600 Amphitheatre Parkway, Mountain View, CA. Defendant may be served with process by serving registered agent, The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801.

JURISDICTION & VENUE

3. This is an action for infringement of a United States patent. Accordingly, this action arises under the patent laws of the United States of America, 35 U.S.C. § 1 *et seq.*, and jurisdiction is properly based on 35 U.S.C. § 271 and 28 U.S.C. § 1338(a).
4. Venue is proper in this district under 28 U.S.C. §§ 1391(b-c) and 1400(b). Google is a Delaware limited liability company, and thus resides in this district. Upon information and belief, Google has provided and continues to provide the accused system and/or

service for use by individuals and businesses in the State of Delaware.

PATENT INFRINGEMENT COUNT

5. On November 20, 2007, United States Patent No. 7,298,271 B2 (“the ‘271 patent”) entitled “Method and Apparatus for Providing Awards Using Transponders” was duly and legally issued. Plaintiff Peter Sprogis is the inventor and holds the right to sue for past, present and future damages. A copy of the ‘271 patent is attached as Exhibit A. The ‘271 patent is directed to a method and system for providing awards to participants utilizing electronic data storage elements, such as radio frequency identification (“RFID”) tags.

6. Pursuant to 35 U.S.C. § 282, the ‘271 patent is presumed valid.

7. The Defendant’s Google Wallet system enables smartphone users to make payments and redeem customer loyalty rewards by transmitting information from a near field communications (NFC) chip in a smartphone to an NFC reader at a merchant’s register. To use Google Wallet, a user must first associate a payment card with a Google Wallet account. The payment card is a credit or debit card, usually one which rewards credit or debit card transactions with airline miles, cash back, rewards points, and the like. In some cases, the user is issued a virtual payment card which is compatible with Google Wallet NFC readers. In all cases, the credentials of a compatible credit, debit, or other payment card is encrypted and transmitted to a smartphone that runs the Google Wallet smartphone app. The encrypted information is stored in the “Secure Element” section of the smartphone. During a transaction, the smartphone user initiates the Google Wallet app and allows a nearby NFC reader to read the encrypted payment information stored in the smartphone. After the NFC reader transmits the payment information to the payment server and a transaction is completed, the smartphone user receives an appropriate reward, such as airline miles, cash back, rewards points, and the like.

8. The Defendant's Google Wallet system enables smartphone users to redeem discounts and offers by transmitting information from Google Offers from a near field communications (NFC) chip in a smartphone to an NFC reader at a merchant's register. To redeem discounts and offers, a Google Wallet user must first associate his/her account with a Google Offers account. Google Offers then sends discounts and other offers to the user's Google smartphone, which runs the Google Wallet smartphone app. The discounts and offers are stored in the Android smartphone on an NFC-readable microchip. In order to redeem a discount or offer, the smartphone user initiates the Google Wallet app and allows an in-store NFC reader to read the discount or offer information stored in the smartphone.

9. Google, utilizes a method and system for providing awards to participants that infringes at least claims 18, 19, 20, 21, 22, 42, 43, 44, and 45 of the '271 patent by utilizing the features described in Paragraphs 7 and 8 on at least its Google Wallet smartphone app and/or service. By making, operating, using and/or selling such an app and/or service, Google has infringed and continues to infringe, contribute to the infringement of, or induce the infringement of at least claims 18, 19, 20, 21, 22, 42, 43, 44, and 45 of the '271 patent, either literally or under the doctrine of equivalents.

10. Accordingly, Google's acts of infringement of the '271 patent, as alleged above, have injured Plaintiff and, thus, Plaintiff is entitled to recover damages adequate to compensate it for Google's acts of infringement, which in no event can be less than a reasonable royalty.

DEMAND FOR JURY TRIAL

11. Plaintiff hereby demands a jury trial on all claims and issues.

PRAYER FOR RELIEF

Wherefore, Plaintiff prays for entry of judgment:

- A. that Google has infringed one or more claims, specifically claims 18, 19, 20, 21, 22, 42, 43, 44, and 45, of the '271 patent;
- B. that Google accounts for and pays to Plaintiff all damages caused by the infringement of the '271 patent, which by statute can be no less than a reasonable royalty;
- C. that Plaintiff be granted pre-judgment and post-judgment interest on the damages caused to them by reason of Google's infringement of the '271 patent; and
- D. that Plaintiff be granted such other and further relief as the Court may deem just and proper under the current circumstances.

DATED: October 23, 2012

/s/ Kenneth L. Dorsney
Richard K. Herrmann (I.D. No. 405)
Kenneth L. Dorsney (I.D. No. 3726)
MORRIS JAMES LLP
500 Delaware Avenue, Suite 1500
Wilmington, DE 19801
(302) 888-6800

Attorneys for Plaintiff

Of Counsel:

Edward W. Goldstein
Texas Bar No. 08099500
GOLDSTEIN LAW, PLLC
1177 West Loop South, Suite 400
Houston, Texas 77027
Telephone: (713) 877-1515
Facsimile: (713) 877-1737
E-Mail: egoldstein@gliplaw.com