

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

PETER SPROGIS, an individual,

Plaintiff,

v.

JVL VENTURES, LLC, a Delaware limited
liability company,

Defendant.

Civil Action No. _____

DEMAND FOR JURY TRIAL

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Peter Sprogis (“Plaintiff” or “Sprogis”), files this complaint against JVL Ventures, LLC (“Defendant” or “JVL”), 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. On information and belief, JVL is a limited liability company organized and existing under the laws of the State of Delaware, and has a principal place of business at 230 Park Avenue, 28th Floor, New York, NY 10169. On information and belief, JVL has offices in Dallas, Texas. JVL may be served with process by serving its 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). Upon

information and belief, JVL transacts or has transacted business in this district, or committed and/or induced acts of patent infringement in this district.

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 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. JVL offers its customers a smartphone-based mobile payment system called the Isis Mobile Wallet.

7. JVL sells and/or distributes software by the name of Isis Mobile Wallet (“Isis”). The Isis 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 Isis, a user must first associate a payment card with an Isis account. The payment card is a credit or debit card, usually one that rewards transactions with airline miles, cash back, rewards points, and the like. Isis encrypts the credentials of the compatible payment card and transmits the encrypted information to a smartphone, which runs the Isis smartphone application. The encrypted information is stored in a secure microchip in the smartphone. During a transaction, the smartphone user initiates the Isis Mobile Wallet application 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. JVL's Isis Mobile Wallet system enables smartphone users to redeem discounts and offers by transmitting discount and offer information from an NFC chip in a smartphone to an NFC reader at a merchant's register. An Isis user may acquire discount and offer information on his/her smartphone by downloading the information, reading NFC tags, or other means. The discounts and offers are stored in the smartphone. In order to redeem a discount or offer, the smartphone user initiates the Isis Mobile Wallet application and allows an in-store NFC reader to read the discount or offer information stored in the smartphone.

9. Accordingly, JVL'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 JVL's acts of infringement, which in no event can be less than a reasonable royalty.

10. JVL, on information and belief, 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 Isis Mobile Wallet smartphone application and/or service. By making, operating, using and/or selling such an application and/or service, JVL 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.

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. JVL has infringed one or more claims, specifically claims 18, 19, 20, 21, 22, 42,

43, 44, and 45, of the '271 patent;

B. JVL 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 JVL'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)
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