

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

ALLIANCE LAUNDRY SYSTEMS LLC,	)	
	)	
	)	C.A. No. 24-733-MN
Plaintiff/Counterdefendant,	)	
	)	JURY TRIAL DEMANDED
v.	)	
	)	
PAYRANGE INC.,	)	
	)	
Defendant/Counterclaimant	)	

**DEFENDANT PAYRANGE INC.'S AMENDED ANSWER TO COMPLAINT
AND COUNTERCLAIMS**

Defendant PayRange Inc. ("PayRange"), by and through the undersigned attorneys, hereby answers the Complaint of Plaintiff Alliance Laundry Systems LLC ("Alliance").

INTRODUCTION

1. PayRange admits that Alliance manufactures, distributes, and sells commercial laundry equipment. PayRange lacks knowledge or information sufficient to admit or deny the remaining allegations of Paragraph 1 of the Complaint and, on that basis, denies them.

2. PayRange lacks knowledge or information sufficient to admit or deny the allegations of Paragraph 2 of the Complaint and, on that basis, denies them.

3. PayRange lacks knowledge or information sufficient to admit or deny the allegations of Paragraph 3 of the Complaint and, on that basis, denies them.

4. PayRange admits that it is the assignee of U.S. Patent Nos. 11,972,423 ("423 Patent"); 11,966,920 ("920 Patent"); and 11,481,772 ("772 Patent"). PayRange admits that the Complaint purports to refer to these patents as the "DJ Patents."

5. PayRange admits that it sent two letters alleging that Alliance infringes certain claims of the DJ Patents in connection with the installation and use of its “Speed Queen” and “Huebsch” mobile applications and payment systems.

6. PayRange admits that Paragraph 6 purports to state Alliance’s reason for bringing this action. PayRange is without knowledge or information sufficient to form a belief as to the truth of those allegations, and therefore denies them.

THE PARTIES

7. On information and belief, PayRange admits Alliance is a limited liability company organized in Delaware with a principal place of business at 221 Shepard Street, Ripon, Wisconsin, 54971. On information and belief, PayRange admits that Alliance manufactures, distributes, and sells commercial laundry equipment, including payment mechanisms for such equipment. PayRange lacks knowledge or information sufficient to admit or deny the remaining allegations of Paragraph 7 of the Complaint and, on that basis, denies them.

8. PayRange admits that it is a Tennessee corporation with its principal place of business at 9600 NE Cascades Parkway, Suite 280, Portland, OR 97220.

JURISDICTION AND VENUE

9. PayRange admits that this Court has subject matter jurisdiction over this action and that this action involves claims arising under the patent laws of the United States, 35 U.S.C. § 1, *et seq.*, and under the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

10. PayRange does not contest that an actual and justiciable controversy exists between Alliance and PayRange regarding Alliance’s infringement of the DJ Patents. PayRange specifically denies that Alliance is entitled to any relief.

11. PayRange does not contest that this Court has personal jurisdiction solely for the purposes of this particular action. PayRange admits that it distributes certain products and services in Delaware. PayRange admits that it filed a complaint in this District against CSC ServiceWorks, Inc. (“CSC”), on March 15, 2023, asserting the ’772 Patent. PayRange admits that it filed two other complaints in this District against CSC asserting other patents. On information and belief, PayRange admits that Alliance is incorporated and conducts business in Delaware. PayRange denies the remaining allegations of Paragraph 11.

12. PayRange does not contest that venue is proper in this Court solely for the purposes of this particular action. PayRange admits that it filed a complaint in this District against CSC on March 15, 2023, asserting the ’772 Patent. PayRange denies the remaining allegations of Paragraph 12.

13. PayRange does not contest that this Court has personal jurisdiction over PayRange and that venue is proper in this Court for the purposes of this case only.

- i. PayRange admits that it previously initiated a lawsuit in this Court against CSC for infringement of the ’772 Patent. PayRange further admits that it has alleged that Alliance has infringed and continues to infringe the ’772 Patent. PayRange further admits that Alliance purports to make the ’772 Patent a subject of this Action (Count I).
- ii. PayRange admits that it previously initiated a lawsuit in this Court against CSC to enforce the ’772 Patent. PayRange does not contest that the infringement of the ’772 Patent by Alliance should be litigated in this District.
- iii. PayRange admits that it identified the lawsuits against CSC in letters to Alliance alleging infringement of the ’772 Patent.

- iv. On information and belief, PayRange admits that Alliance is incorporated in Delaware. PayRange denies the remaining allegations in Paragraph 13(iv).
- v. PayRange lacks knowledge or information sufficient to admit or deny the allegations of Paragraph 13(v) of the Complaint and, on that basis, denies them.

THE DECLARATORY JUDGMENT PATENTS

14. PayRange admits that the Complaint purports to refer to the patents at issue as the DJ Patents.

15. PayRange admits that on October 25, 2022, the U.S. Patent and Trademark Office (“Patent Office”) issued the ’772 Patent, entitled “Method and System for Presenting Representations of Payment Accepting Unit Events” to Paresh K. Patel. PayRange admits that Alliance purports to have attached a true and correct copy of the ’772 Patent as Exhibit 1 to the Complaint. PayRange admits that it is the current assignee of the ’772 Patent.

16. PayRange admits that on April 23, 2024, the Patent Office issued the ’920 Patent, entitled “Method and System for Presenting Representations of Payment Accepting Unit Events” to Paresh K. Patel. PayRange admits that Alliance purports to have attached a true and correct copy of the ’920 Patent as Exhibit 2 to the Complaint. PayRange admits that it is the current assignee of the ’920 Patent.

17. PayRange admits that the ’920 Patent is a continuation of U.S. Patent Application No. 17/973,507, filed on October 25, 2022, which is a continuation of U.S. Patent Application No. 17/654,732, filed on March 14, 2022, and issued as the ’772 Patent on October 25, 2022.

18. PayRange admits that on April 30, 2024, the Patent Office issued the ’423 Patent, entitled “Method and System for Presenting Representations of Payment Accepting Unit Events” to Paresh K. Patel. PayRange admits that Alliance purports to have attached a true and correct

copy of the '423 Patent as Exhibit 3 to the Complaint. PayRange admits that it is the current assignee of the '423 Patent.

19. PayRange admits that the '423 Patent is a continuation of U.S. Patent Application No. 17/973,507, filed October 25, 2022, which is a continuation of U.S. Patent Application No. 17/654,732, filed March 14, 2022, and issued as the '772 Patent on October 25, 2022.

FACTUAL BACKGROUND

20. PayRange admits that on March 3, 2020, it filed an action in the U.S. District Court for the Southern District of Florida against KioSoft Technologies, LLC ("KioSoft"), alleging infringement of other patents owned by PayRange. *PayRange Inc. v. KioSoft Technologies, LLC et al*, Case No. 20-cv-20970. The remainder of Paragraph 20 of the Complaint contains statements of opinion and legal conclusions to which no response is required. To the extent a response is required, PayRange denies the remaining allegations in that paragraph.

21. PayRange admits that on October 21, 2020, it filed another action in the U.S. District Court for the Southern District of Florida against KioSoft. *PayRange Inc. v. KioSoft Technologies, LLC et al*, Case No. 20-cv-24342. PayRange also admits that on July 25, 2023, KioSoft filed a petition for post grant review of the '772 Patent, one of the DJ Patents, at the Patent Trial and Appeal Board ("PTAB"). The remainder of Paragraph 21 of the Complaint contains statements of opinion and legal conclusions to which no response is required. To the extent a response is required, PayRange denies the remaining allegations in that paragraph.

22. PayRange admits that a list of patent cases between PayRange and KioSoft is provided in Paragraph 22.

23. PayRange admits that on December 14, 2022, the PTAB issued a final written decision in PGR2021-00093 finding claims 1-6, 8-10, 14, 15, 18-25 of U.S. Patent No. 10,891,614 (“’614 Patent”) unpatentable under 35 U.S.C. §101.

24. PayRange admits that it did not appeal the PTAB’s final written decision in PGR2021-00093.

25. PayRange admits that the ’772 Patent is a continuation of U.S. Patent Application No. 17/147,305, filed January 12, 2021, which is a continuation of U.S. Patent Application No. 15/603,400, filed May 23, 2017, and issued as the ’614 Patent on January 12, 2021.

26. PayRange admits that KioSoft filed a petition for post-grant review of claims 1-20 of the ’772 Patent under 35 U.S.C. §§101 and 103. *See KioSoft Technologies, LLC et al v. PayRange Inc.*, PTAB-PGR2023-00042. That document speaks for itself.

27. PayRange admits that Paragraph 27 purports to show claims 1 of the ’772 Patent and ’614 Patent. The issued ’772 Patent and ’614 Patent are each a matter of public record, and they speak for themselves. PayRange denies the remaining allegations of Paragraph 27.

28. PayRange admits that on November 22, 2023, PayRange disclaimed claims 1-6, 8-10, and 12-20 of the ’772 Patent.

29. PayRange admits that claim 11 of the ’772 Patent remained at issue in PGR2023-00042 following PayRange’s statutory disclaimer of certain other claims.

30. PayRange admits that on February 5, 2024, KioSoft and PayRange filed a joint motion to dismiss PGR2023-00042.

31. PayRange admits that in January 2024, PayRange and KioSoft resolved their dispute with a settlement.

32. PayRange admits that it issued a press release following its settlement with KioSoft. That document speaks for itself. PayRange admits that Alliance purports to have attached a true and correct copy of the press release as Exhibit 6 to the Complaint. PayRange admits that it is the current assignee of the '772 Patent.

33. PayRange admits Paragraph 33 purports to quote the press release. The document speaks for itself.

34. PayRange admits that on April 19, 2022, PayRange filed an action against CSC in this Court. *PayRange Inc. v. CSC ServiceWorks, Inc. et al*, C.A. No. 22-cv-00502-VAC. PayRange admits that the Complaint purports to refer to this case as the First Delaware CSC Action. The remainder of Paragraph 34 of the Complaint contains statements of opinion and legal conclusions to which no response is required. To the extent a response is required, PayRange denies the remaining allegations in that paragraph.

35. PayRange admits that the First Delaware CSC Action alleged infringement of U.S. Patent Nos. 8,856,045; 10,438,208; and 10,891,608. PayRange admits that the DJ Patents are related to U.S. Patent No. 8,856,045.

36. PayRange admits that it filed a second patent infringement action against CSC in this Court on March 15, 2023, and asserted the '772 Patent against CSC. *PayRange Inc. v. CSC ServiceWorks, Inc. et al*, C.A. No. 23-cv-00278-MN. PayRange admits that the Complaint purports to refer to this case as the Second Delaware CSC Action.

37. PayRange admits that in addition to the '772 Patent, PayRange asserted U.S. Patent Nos. 8,856,045; 10,438,208; and 10,891,608 in the Second Delaware CSC Action. *PayRange Inc. v. CSC ServiceWorks, Inc. et al*, C.A. No. 23-cv-00278-MN, D.I. 73. PayRange admits that the DJ Patents are continuations and/or continuations-in-part of multiple patent

applications, including U.S. Patent Application No. 14/214,644, filed March 14, 2014, which issued as U.S. Patent No. 8,856,045 on October 7, 2014.

38. PayRange admits that it filed a third patent infringement action against CSC in this Court on March 4, 2024. *PayRange Inc. v. CSC ServiceWorks, Inc. et al*, C.A. No. 24-cv-00279-MN, D.I. 1. PayRange admits that the Complaint purports to refer to this action as the Third Delaware CSC Action.

39. PayRange admits that it asserted U.S. Patent Nos. 10,719,833; 10,891,614; and 11,488,174. *PayRange Inc. v. CSC ServiceWorks, Inc. et al*, C.A. No. 24-cv-00279-MN, D.I. 1. PayRange admits that the DJ Patents are continuations of multiple patent applications, including U.S. Patent Application No. 15/603,400, filed on May 23, 2017, which issued as U.S. Patent No. 10,891,614.

40. PayRange admits that both the KioSoft and CSC disputes involved multiple district court and PTAB proceedings. PayRange admits that a list of cases between PayRange and CSC is provided in Paragraph 40.

41. PayRange admits that on October 9, 2023, CSC filed a petition for *inter partes* review of the '772 Patent. *CSC Serviceworks, Inc. v. PayRange Inc.*, IPR2023-01449, PTAB, Paper 1. That document speaks for itself.

42. PayRange admits that on November 22, 2023, PayRange disclaimed claims 1-6, 8-10, and 12-20 of the '772 Patent.

43. PayRange admits that claim 11 of the '772 Patent remained at issue in IPR2023-01449 following PayRange's statutory disclaimer of certain other claims.

44. PayRange admits that on April 12, 2024, the PTAB issued a decision granting institution of *inter partes* review of claim 11 of the '772 Patent. *CSC ServiceWorks, Inc. v. PayRange Inc.*, IPR2023-01449, PTAB, Paper 14. That document speaks for itself.

45. PayRange admits that on April 17, 2024, CSC filed a motion to dismiss in the Second Delaware CSC Action. *PayRange Inc. v. CSC ServiceWorks, Inc.*, 23-cv-00278-MN, D.I. 79. That document speaks for itself.

46. PayRange admits that on April 24, 2024, PayRange filed a notice of voluntary dismissal with prejudice of the Second Delaware CSC Action. *PayRange Inc. v. CSC ServiceWorks, Inc.*, 23-cv-00278-MN, D.I. 82.

47. PayRange admits that on April 24, 2024, PayRange also filed a notice of voluntary dismiss with prejudice of the Third Delaware CSC Action. *PayRange Inc. v. CSC ServiceWorks, Inc.*, 23-cv-00279-MN, D.I. 8.

48. PayRange admits that on April 25, 2024, PayRange and CSC jointly moved to terminate IPR2023-01449. *CSC ServiceWorks, Inc. v. PayRange Inc.*, IPR2023-01449, Paper 16.

49. PayRange admits that the patentability of claim 11 of the '772 Patent was never decided in the proceedings before this Court or the PTAB.

50. PayRange admits that on March 14, 2024, PayRange sent a letter to Alliance alleging infringement of the '772 Patent and allowed claims from the applications that subsequently issued as the '920 and '423 Patents.

51. PayRange admits that on March 14, 2024, PayRange sent a letter to Alliance alleging infringement of the '772 Patent and allowed claims from the applications that subsequently issued as the '920 and '423 Patents. That document speaks for itself. PayRange

further admits that the Complaint purports to refer to claim 11 of the '772 Patent, allowed claims 1-6, 8, 9, and 12-20 of U.S. Patent Application 18/197,070 (issued as the '423 Patent), and claims 1-6, 8, 9, and 12-20 of U.S. Patent Application 18/197,071 (issued as the '920 Patent) collectively as the "DJ Claims."

52. Denied. PayRange's March 14, 2024 Letter stated, "Alliance makes, uses, sells, and offers for sale both the 'Speed Queen' and the 'Huebsch' applications on the Google Play Store and the Apple App store [...] By itself using those apps on mobile devices to carry out the method recited in claim 11, Alliance directly infringes claim 11 of the '772 Patent under 35 U.S.C. § 271(a). Alliance also induces infringement of the '772 Patent under 35 U.S.C. § 271(b) by actively encouraging infringement by its business partners and customers." *See* Exhibit A, at 3-4. PayRange further states that the remainder of the March 14, 2024 Letter speaks for itself. PayRange further admits that the Complaint purports to refer to the Speed Queen and Huebsch applications as the "Accused Instrumentalities."

53. PayRange admits that it provided infringement charts with its March 14, 2024 Letter demonstrating Alliance's infringement.

54. PayRange admits that Alliance responded to PayRange's letter. That document speaks for itself.

55. PayRange admits that Alliance responded to PayRange's March 14, 2024 Letter. That document speaks for itself. The remainder of Paragraph 55 of the Complaint contains statements of opinion and legal conclusions to which no response is required. To the extent a response is required, PayRange denies each and every remaining allegation in that paragraph.

56. PayRange admits that it responded to Alliance's April 25, 2024 Letter on May 17, 2024.

57. PayRange admits that it sent Alliance a letter on May 17, 2024. That document speaks for itself.

58. PayRange admits that it sent Alliance a letter on May 17, 2024. That document speaks for itself.

59. On information and belief, PayRange admits that Alliance distributes equipment to operators in Delaware. PayRange lacks knowledge or information sufficient to admit or deny the remaining allegations of Paragraph 59 of the Complaint and, on that basis, denies them.

60. PayRange admits that on May 31, 2024, counsel for Alliance sent a response email to PayRange. That document speaks for itself.

61. PayRange admits that on June 12, 2024, PayRange sent an additional letter to Alliance. That document speaks for itself.

62. PayRange admits that PayRange sent letters to Alliance on March 14, 2024, May 17, 2024 and June 12, 2024. PayRange admits that the Complaint purports to refer to the March 14, 2024, May 17, 2024, and June 12, 2024 Letters to Alliance collectively as the “PayRange Letters.”

63. PayRange admits that Alliance sent an email to PayRange on June 14, 2024. That document speaks for itself.

64. PayRange admits that on June 19, 2024, PayRange sent an email to Alliance. That document speaks for itself.

65. PayRange admits that PayRange sent an email to Alliance on June 19, 2024. PayRange admits that Paragraph 65 purports to quote from the June 19, 2024 Letter. The document speaks for itself.

66. PayRange does not contest that an actual controversy exists between Alliance and PayRange with respect to infringement of the DJ Patents. PayRange specifically denies that Alliance is entitled to any relief. The remaining allegations of Paragraph 66 of the Complaint contains statements of opinion and legal conclusions to which no response is required. To the extent a response is required, PayRange is without knowledge or information sufficient to form a belief as to the truth of those allegations, and therefore denies each and every remaining allegation in that paragraph.

COUNT I: NON-INFRINGEMENT OF THE '772 PATENT

67. PayRange incorporates by reference the preceding responses to the Complaint.

68. PayRange admits that the PayRange Letters asserted that Alliance infringes, directly or indirectly, one or more claims of the '772 Patent.

69. PayRange admits that the '772 Patent discloses, among other things, methods and payments for presenting representations of payment accepting unit events. PayRange further admits that Paragraph 69 purports to show claim 1 of the '772 Patent. The '772 Patent speaks for itself.

70. PayRange admits that Paragraph 70 purports to show claim 11 of the '772 Patent. The '772 Patent speaks for itself.

71. Denied.

72. Denied.

73. Denied.

74. Denied.

75. Denied.

76. PayRange does not contest that an actual controversy exists between Alliance and PayRange with respect to infringement of claim 11 of the '772 Patent. PayRange specifically denies that Alliance is entitled to any relief.

77. Denied.

COUNT II: NON-INFRINGEMENT OF THE '920 PATENT

78. PayRange incorporates by reference the preceding responses to the Complaint.

79. PayRange admits that the PayRange Letters asserted that Alliance infringes, directly or indirectly, one or more claims of the '920 Patent.

80. PayRange admits that the '920 Patent discloses, among other things, methods and payments for presenting representations of payment accepting unit events. PayRange further admits that Paragraph 80 purports to show claim 1 of the '920 Patent. The '920 Patent speaks for itself.

81. PayRange admits that Paragraph 81 purports to show claim 13 of the '920 Patent. The '920 Patent speaks for itself.

82. PayRange admits that Paragraph 82 purports to show claim 15 of the '920 Patent. The '920 Patent speaks for itself.

83. Denied.

84. Denied.

85. Denied.

86. Denied.

87. PayRange does not contest that an actual controversy exists between Alliance and PayRange with respect to infringement of the '920 Patent. PayRange specifically denies that Alliance is entitled to any relief.

88. Denied.

COUNT III: NON-INFRINGEMENT OF THE '423 PATENT

89. PayRange incorporates by reference the preceding responses to the Complaint.

90. PayRange admits that the PayRange Letters asserted that Alliance infringes, directly or indirectly, one or more claims of the '423 Patent.

91. PayRange admits that the '423 Patent discloses, among other things, methods and payments for presenting representations of payment accepting unit events. PayRange further admits that Paragraph 91 purports to show claim 1 of the '423 Patent. The '423 Patent speaks for itself.

92. PayRange admits that Paragraph 92 purports to show claim 13 of the '423 Patent. The '423 Patent speaks for itself.

93. PayRange admits that Paragraph 93 purports to show claim 15 of the '423 Patent. The '423 Patent speaks for itself.

94. Denied.

95. Denied.

96. Denied.

97. Denied.

98. PayRange does not contest that an actual controversy exists between Alliance and PayRange with respect to infringement of claim 11 of the '423 Patent. PayRange specifically denies that Alliance is entitled to any relief.

99. Denied.

PRAYER FOR RELIEF

PayRange denies that Plaintiff is entitled to any relief. Plaintiff's prayer for relief should be denied in its entirety.

JURY DEMAND

PayRange demands a trial by jury on all issues and claims so triable.

PAYRANGE'S DEFENSES

PayRange sets forth defenses to the Plaintiff's Complaint by its undersigned counsel, for its counterclaims against Alliance, allege as follows:

FIRST DEFENSE – FAILURE TO STATE A CLAIM

100. The Complaint fails to state a claim upon which a declaratory judgment of non-infringement can be granted.

RESERVATION OF RIGHT TO ASSERT OTHER DEFENSES

101. PayRange expressly reserves the right to later assert and pursue further defenses in this action. PayRange reserves all defenses under Rule 8(c) of the Federal Rules of Civil Procedure, the patent laws of the United States, and any other defenses at law or in equity that may exist now or that may be available in the future, as may be determined through discovery and further factual investigation in this action.

PAYRANGE'S COUNTERCLAIMS

PayRange, by its undersigned counsel, for its counterclaims against Alliance, allege as follows:

NATURE OF THE COUNTERCLAIMS

1. PayRange brings these counterclaims against Alliance based on Alliance's infringement of PayRange's mobile payment solution technology. PayRange's acclaimed

technology enables its customers to upgrade a coin-operated unattended retail machine into a state-of-the-art mobile payment solution with a small module, called “BluKey.” PayRange’s mobile app communicates with BluKey to enable mobile transactions. The United States Patent & Trademark Office (“USPTO”) awarded PayRange a portfolio of patents for its innovations. PayRange’s patent portfolio is prominently identified on its website pursuant to PayRange’s virtual patent marking practices: <https://payrange.com/patents/>. Alliance has used and continues to use PayRange’s patented mobile payment solutions in its mobile application and payment systems such as Speed Queen and Huebsch products.

THE PARTIES

2. PayRange is a Tennessee corporation with its principal place of business at 9600 NE Cascades Pkwy, Suite 280, Portland, OR 97220.

3. On information and belief, Alliance is a limited liability company organized in Delaware with a principal place of business at 221 Shepard Street, Ripon, Wisconsin, 54971.

4. PayRange found success in the laundry and vending industries, attracting significant customers including WASH. Unfortunately, competitors took notice and improperly copied PayRange’s technology. As a result, PayRange initiated litigation against a major competitor (KioSoft) and subsequently against KioSoft’s major customer (CSC). In response, KioSoft challenged the validity of PayRange’s patents before the USPTO. PayRange prevailed with confirmed claims in every USPTO challenge that proceeded to a Final Written Decision.

5. On January 31, 2024, PayRange and KioSoft issued a press release announcing a settlement. KioSoft’s President, Charles Lee, is quoted:

“While we had challenged the PayRange patents vigorously, the Patent Trial and Appeal Board (PTAB) upheld the PayRange patents and, although we disagreed with the result, we must now accept that PayRange has valid claims,” stated Charles Lee, President of KioSoft. “We respect the technologies that have helped

the self-service industry thrive; and we look forward to continuing to lead innovation and development by providing best-in-class service to our customers with this fully-licensed technology, without any further legal distractions.”

6. KioSoft agreed to license PayRange’s technology for an amount that could exceed \$62 million over a ten-year period, dependent on outcomes with a base license of \$40 million.

7. In April 2024, on the heels of its settlement with KioSoft, PayRange also resolved its patent infringement dispute with KioSoft’s customer CSC.

8. In May 2024, PayRange reached a patent licensing deal with WASH, one of the largest providers of laundry facilities in the United States. The agreement licenses PayRange’s patents for use with the WASH-Connect Mobile Payment App and will continue for the term of PayRange’s patents. In the press release, WASH’s CEO, Jim Gimeson stated:

“We’re a privately held company founded in 1947 and we hold dear our reputation for integrity and ethical practices,” says WASH CEO Jim Gimeson. “As operators, we hold a deep respect for the innovations PayRange has brought to elevate the laundry industry.”

9. After reaching agreements with KioSoft, CSC and WASH Multifamily Laundry Systems, LLC, PayRange hoped that the remaining companies in the industry would cease and desist their infringement of PayRange’s patents and negotiate a resolution for their past infringement.

10. On March 14, 2024, PayRange sent Alliance a letter providing notice of its potential infringement and inviting licensing discussions. A true and correct copy of the March 14, 2024 letter is attached hereto as Exhibit A. PayRange provided detailed claim charts showing that Alliance infringes at least:

- ’772 Patent;
- Allowed claims of U.S. Patent Application No. 18/197,071, which issued as the ’423 Patent; and

- Allowed claims of U.S. Patent Application No. 18/197,071, which issued as the '920 Patent.

11. On April 25, 2024, Alliance sent a response with purported defenses, but those purported defenses were meritless. Moreover, Alliance provided no indication that it would cease infringement, take a license, or even accept PayRange's invitation to meet to discuss the matter. A true and correct copy of the April 25, 2024 letter is attached hereto as Exhibit B.

12. On May 17, 2024, PayRange responded to Alliance's April 25, 2024 letter. A true and correct copy of the May 17, 2024 letter is attached hereto as Exhibit C. PayRange's May 17, 2024 letter clarified PayRange's position and expressed the intent to seek amicable resolution of the matter. Receiving no response, on June 12, 2024, PayRange sent another letter to Alliance confirming PayRange's intention to engage in further discussion with Alliance. A true and correct copy of the June 12, 2024 letter is attached hereto as Exhibit D.

13. On June 20, 2024, Alliance filed the instant action against PayRange. *See* D.I. 1. PayRange was compelled to protect its innovations and stop Alliance's patent infringement through litigation.

JURISDICTION AND VENUE

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

15. This Court has subject matter jurisdiction over this patent infringement action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

16. Upon information and belief, Alliance has infringed PayRange's patents-in-suit in this District by, among other things, engaging in infringing conduct within and directed at, or from, this District. Alliance 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. Alliance's infringing products have been and continue to be used in this District.

17. Venue is proper in this District pursuant to 28 U.S.C. §§ 1400. Alliance is a Delaware limited liability company that resides in this District.

PAYRANGE'S PATENTS-IN-SUIT

18. To protect its unique and innovative technologies, PayRange filed a provisional patent application (No. 61/917,936) on December 18, 2013. Several patents issued based on this original application, including the patents-in-suit, as summarized below.

19. On October 25, 2022, the USPTO issued the '772 Patent, titled "Method and System for Presenting Representations of Payment Accepting Unit Events." A true and correct copy of the '772 Patent is attached hereto as Exhibit E. On November 22, 2023, PayRange filed a disclaimer in the '772 Patent, which disclaims Claims 1-6, 8-10 and 12-20 of the '772 Patent. A true and correct copy of the disclaimer is attached hereto as Exhibit F.

20. On April 23, 2024, the USPTO issued the '920 Patent, titled "Method and System for Presenting Representations of Payment Accepting Unit Events." A true and correct copy of the '920 Patent is attached hereto as Exhibit G.

21. On April 30, 2024, the USPTO issued the '423 Patent, titled "Method and System for Presenting Representations of Payment Accepting Unit Events." A true and correct copy of the '423 Patent is attached hereto as Exhibit H.

22. On January 12, 2021, the USPTO issued U.S. Patent No. 10,891,608 (the "'608 Patent"), titled "Method and System for an Offline-Payment Operated Machine to Accept Electronic Payments." A true and correct copy of the '608 Patent is attached hereto as Exhibit I.

COUNT I - INFRINGEMENT OF THE '920 PATENT

23. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

24. PayRange is the assignee and owner of all right, title, and interest in and to the '920 Patent. PayRange has the right to make, use, sell, and offer to sell any product embodying the '920 Patent throughout the United States, and to import any product embodying the '920 Patent into the United States.

25. On January 26, 2024, during prosecution of the application that issued as the '920 Patent, the patent examiner issued a Notice of Allowance. In so doing, the patent examiner noted that “the prior art taken alone or in combination failed to teach or suggest:”

displaying a user interface of the mobile payment application on the display of the mobile device, the user interface being configured to display a visual indication of the one or more payment accepting units and accept user input selecting an available payment accepting unit of the one or more payment accepting units,

after establishing the wireless communication path, enabling user interaction with the user interface of the mobile payment application to complete a transaction with the available payment accepting unit, wherein the user interface includes a visual representation of the available payment accepting unit, an indication of a balance, and an affordance that, in response to a user input, indicates completion of the transaction,

exchanging information with the available payment accepting unit via the one or more radio transceivers, in conjunction with the transaction, and

after exchanging the information, displaying, on the display, an updated user interface of the mobile payment application to the user of the mobile device[.]

26. The patent examiner also concluded that “[t]he above recited limitations provide meaningful limitations that transforms the abstract idea into patent eligible. The claims as a whole effect an improvement to another technology or technical field. These limitations in combination provide meaningful limitations beyond generally linking the use of the abstract idea to practical application.” See *id.* at 3. In reaching these conclusions, the patent examiner referenced U.S.

Patent No. 11,010,759 B1 by Maeng (“Maeng”) and U.S. Publication No. 2002/0152123 A1 by Giordano (“Giordano”). *Id.* at 3-4.

27. As described by the patent examiner, Maeng involves “a mobile wallet a request to assign a vendor specific payment account identifier (VSPAI) to a payment account identifier (PAI) associated with a user of the mobile wallet. Identifying information is verified of: (i) an issuer of the PAI, (ii) a specific vendor; and (iii) the user of the mobile wallet. In response to verifying, a unique VSPAI is created that is associated with the PAI of the user and the specific vendor. Then, when a payment request is received including the unique VSPAI for a transaction with a particular vendor, the particular vendor is verified as the specific vendor associated with the unique VSPAI. In response to verifying that the particular vendor, payment of the transaction by the issuer using the PAI associated with the unique VSPAI is facilitated.” *Id.* at 3.

28. The ’920 Patent represents a significant departure from Maeng. For instance, the ’920 Patent claims “identifying one or more payment accepting unit that are available to accept payment from a mobile payment application ... the identifying based at least in part on an identifier or location corresponding to the one or more payment accepting units.” ’920 Patent at Cl. 1. Using a mobile device to identify payment accepting unit based on an identifier or location was an unconventional approach. The ’920 Patent therefore avoids the complexities associated with identifying vendor specific payment accounts. The ’920 Patent also claims “establishing via the one or more radio transceivers a wireless communication path including the mobile device and the available payment accepting unit.” ’920 Patent at Cl. 1. Maeng does not describe wireless connections to physical payment accepting units. This distinction in the ’920 Patent addresses a unique technological challenge - enabling a mobile device to interact with and authorize payments for specific payment accepting units within proximity to the end-user.

29. The '920 Patent is also distinguishable from Giordano. A key difference is that the '920 Patent claims “identifying one or more payment accepting units that are available to accept payment from a...mobile device” and “establishing via the one or more radio transceivers a wireless communication path including the mobile device and the available payment accepting unit.” '920 Patent at Cl. 1. With Giordano, the payment process is initiated at the payment accepting unit itself, without the need for a mobile device to identify or connect to a specific unit. In contrast, the '920 Patent relies on the user's mobile device as the primary interface for the transaction, which creates a unique technological challenge - determining which specific payment accepting unit to interact with among many potential options. The '920 Patent addresses this by having the mobile device identify available payment accepting units in its vicinity and then establishing a wireless connection. This approach allows for a more flexible and user-centric payment experience compared to Giordano's fixed terminal-based system. In this regard, the '920 Patent is unconventional, not routine, and highlights what was previously not well-understood.

30. The '920 Patent also claims “displaying a user interface of the mobile payment application on the display of the mobile device, the user interface being configured to display a visual indication of the one or more payment accepting units and accept user input selecting an available payment accepting unit of the one or more payment accepting units” and “displaying, on the display, an updated user interface of the mobile payment application to the user of the mobile device.” '920 Patent at Cl. 1. This real-time event notification and display system for payment accepting units is not described in Giordano's more traditional point-of-sale approach, thus confirming that the '920 Patent was not well-understood, routine or conventional.

31. A significant advantage of the '920 Patent is the ability to identify payment accepting units based on the location or identifier corresponding to the payment accepting units

that are available to accept payment. Another significant advantage is displaying a visual indication of the payment accepting units with an indication of a balance, and an affordance that is responsive to a user input after establishing the wireless communication path but prior to completing a transaction. Completing a transaction after establishing a wireless communication is another significant advantage. These advantages were not routine, well-understood or conventional, especially when considered in combination.

32. Upon information and belief, Alliance has and is infringing at least claims 1, 4, 9, 10, 12-15, 17, and 19-20 of the '920 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale products such as Alliance payment systems compatible with Speed Queen and Huebsch mobile apps, covered by one or more claims of the '920 Patent to the injury of PayRange. Alliance is directly infringing, literally infringing, and/or infringing the '920 Patent under the doctrine of equivalents. Alliance is thus liable for infringement of the '920 Patent pursuant to 35 U.S.C. § 271(a).

33. Alliance has known of the existence of the '920 Patent since at least the date of PayRange's initial notice letter (March 14, 2024), and Alliance's acts of infringement have been willful and in disregard for the '920 Patent, without any reasonable basis for believing that it had a right to engage in the infringing conduct.

34. Exhibit J, which is incorporated herein, was provided to Alliance with PayRange's initial notice letter and is a chart providing an element-by-element comparison between Alliance and claim 1 of the '920 Patent.

35. Alliance actively encourages their business partners and/or customers to use Speed Queen and Huebsch mobile apps in an infringing manner. Alliance encourages infringement with

a specific intent to cause its business partners and customers to infringe. Alliance's acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

36. To the extent Alliance payment systems that are compatible with Speed Queen and Huebsch mobile apps, without more, do not directly infringe at least the above-identified claims of the '920 Patent, Alliance contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as the infringing products offered for sale and sold by Alliance is a component of a patented machine or an apparatus used in practicing a patented process, constituting a material part of PayRange's invention, knowing the same to be especially made or especially adapted for use in infringement of the '920 Patent.

37. Alliance's direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange. On information and belief, PayRange has lost prospective customers and was forced to compete against its own technology, at least in part, due to Alliance's infringement. The continued infringement harms PayRange's reputation in the marketplace and discourages other potential customers from purchasing PayRange's solutions. These reputational and business harms cannot be adequately remedied by monetary compensation.

38. Upon information and belief, Alliance will continue to infringe the '920 Patent unless enjoined.

39. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement, including a reasonable royalty and/or lost profits. PayRange notified Alliance of its infringement even prior to issuance of the '920 Patent.

40. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

COUNT II - INFRINGEMENT OF THE '423 PATENT

41. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

42. PayRange is the assignee and owner of all right, title, and interest in and to the '423 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the '423 Patent throughout the United States, and to import any product embodying the '423 Patent into the United States.

43. On December 20, 2023, during prosecution of the application that issued as the '423 Patent, the patent examiner issued a Notice of Allowance. In so doing, the patent examiner noted that “the prior art taken alone or in combination failed to each or suggest:”

identifying one or more payment accepting units in proximity to the mobile device that are available to accept payment from a mobile payment application executing on the mobile device, the identifying based at least in part on an identifier corresponding to the one or more payment accepting units, wherein the one or more payment accepting units are payment operated machines that accept payment for dispensing of products and/or services[;]

displaying a user interface of the mobile payment application on the display mobile device, the user interface being configured to display a visual indication of the one or more payment accepting units and accept user input selecting an available payment accepting unit of the one or more payment accepting units[;]

after exchanging the information, displaying, on the display, an updated user interface of the mobile payment application to the user of the mobile device[.]

44. The patent examiner also concluded that “[t]he above recited limitations provide meaningful limitations that transforms the abstract idea into patent eligible. The claims as a whole effect an improvement to another technology or technical field. These limitations in combination provide meaningful limitations beyond generally linking the use of the abstract idea to a practical application.” *See id.* at 2-3. In reaching these conclusions, the patent examiner referenced U.S. Publication No. 2002015123 A1 by Giordano (“Giordano”).

45. With respect to Giordano, the patent examiner stated that “[i]n operation, the customer in merchant store 12 approaches a kiosk in the store, indicates a food, merchandise or service selection and provides a customer/transmitter ID using input device 920, customer transceiver 50 or a combination of the two. In doing so, the customer has placed an order for the desired article of food, merchandise or service and simultaneously initiated payment processing. Once the transaction is authorized ... the purchase delivered to the customer, either at the kiosk or at another predetermined location.” *Id.* at 3-4.

46. The ’423 Patent is a significant departure from Giordano. For one, the ’423 Patent requires a mobile device that “identif[ies] one or more payment accepting units in proximity to the mobile device that are available to accept payment from a mobile payment application executing on the mobile device.” ’423 Patent at Cl. 1. With Giordano, the user interface was part of the payment accepting unit itself and there was no need to identify a particular payment accepting machine. In contrast, the ’423 Patent relies on the end-user’s mobile phone as the user interface. However, determining which payment accepting unit to interact with creates a significant technological challenge. The ’423 Patent addresses this problem by identifying the payment accepting units in proximity to the mobile device which eliminates the vast number of potential payment accepting units. This was an unconventional solution absent from the prior art.

47. Another significant advantage of the ’423 Patent over prior art approaches is the ability to identify payment accepting units based on an identifier corresponding to the payment accepting units that are available to accept payment. And still another significant advantage is displaying a visual indication of the payment accepting units. Completing a transaction after establishing a wireless communication is yet another significant advantage. These advantages were not routine, well-understood or conventional, especially when considered in combination.

48. Upon information and belief, Alliance has and is infringing at least claims 1, 3, 4, 6, 8-15, 17, 19, and 20 of the '423 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale products such as Alliance payment systems compatible with Speed Queen and Huebsch mobile apps, covered by one or more claims of the '423 Patent to the injury of PayRange. Alliance is directly infringing, literally infringing, and/or infringing the '423 Patent under the doctrine of equivalents. Alliance is thus liable for infringement of the '423 Patent pursuant to 35 U.S.C. § 271(a).

49. Alliance has known of the existence of the '423 Patent since at least the date of PayRange's initial notice letter (March 14, 2024), and Alliance's acts of infringement have been willful and in disregard for the '423 Patent, without any reasonable basis for believing that it had a right to engage in the infringing conduct.

50. Exhibit K, which is incorporated herein, was provided to Alliance with PayRange's initial notice letter and is a chart providing an element-by-element comparison between Alliance and claim 1 of the '423 Patent.

51. Alliance actively encourages its business partners, end-users and/or customers to, for instance, use Alliance payment systems compatible with Speed Queen and Huebsch mobile apps in an infringing manner. Alliance encourages infringement with a specific intent to cause its business partners and customers to infringe. Alliance's acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

52. To the extent Speed Queen and Huebsch mobile apps, without more, does not directly infringe at least the above-identified claims of the '423 Patent, Alliance contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as the infringing products offered for

sale and sold by Alliance is a component of a patented machine or an apparatus used in practicing a patented process, constituting a material part of PayRange's invention, knowing the same to be especially made or especially adapted for use in infringement of the '423 Patent.

53. Alliance's direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange. On information and belief, PayRange has lost prospective customers and was forced to compete against its own technology, at least in part, due to Alliance's infringement. The continued infringement harms PayRange's reputation in the marketplace and discourages other potential customers from purchasing PayRange's solutions. These reputational and business harms cannot be adequately remedied by monetary compensation.

54. Upon information and belief, Alliance will continue to infringe the '423 Patent unless enjoined.

55. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement, including a reasonable royalty and/or lost profits. PayRange notified Alliance of its infringement even prior to issuance of the '423 Patent.

56. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

COUNT III - INFRINGEMENT OF THE '772 PATENT

57. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

58. PayRange is the assignee and owner of all right, title, and interest in and to the '772 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the '772 Patent throughout the United States, and to import any product embodying the '772 Patent into the United States.

59. A significant advantage of the '772 Patent is the capability to display one or more multiple payment accepting units that are in proximity to the mobile device and are available to accept payment. As discussed above with respect to the '423 Patent, this limitation allows a user to select one of many different machines based on proximity and availability of the machines and initiate payment to the selected machine using a mobile device. This was an unconventional solution absent from the prior art such as Giordano, as discussed above.

60. Claim 11 of the '772 Patent was unconventional in several respects. Claim 11 is directed to an improved user interface that contains essential information in requesting products and/or service from a payment accepting units in a particular manner. Before users request products and/or services, the mobile payment application shows available payment accepting units and the prepared balance. When users request products and/or services, the mobile payment application shows an indication of the initiation of transaction. Conventionally, the user interface was displayed on the payment accepting units themselves. Using the mobile phone as the user interface was unconventional. Additionally, the information described above was not easily accessible to users or the information was shown on the interfaces of the payment accepting units, which were limited in the amount and the type of information that can be displayed.

61. Upon information and belief, Alliance has and is infringing claim 11 of the '772 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, using products with mobile payment functionality, covered by claim 11 of the '772 Patent to the injury of PayRange. Alliance is directly infringing, literally infringing, and/or infringing the '772 Patent under the doctrine of equivalents. Alliance is thus liable for infringement of the '772 Patent pursuant to 35 U.S.C. § 271(a).

62. Alliance has known of the existence of the '772 Patent since at least the date of PayRange's initial notice letter (March 14, 2024), and Alliance's acts of infringement have been willful and in disregard for the '772 Patent, without any reasonable basis for believing that it had a right to engage in the infringing conduct.

63. Exhibit L, which is incorporated herein, was provided to Alliance with PayRange's initial notice letter and is a chart which provides an element-by-element comparison between Alliance and claim 11 of the '772 Patent.

64. Alliance actively encourages their business partners and/or customers to use Alliance payment systems such as Speed Queen and Huebsch mobile apps in an infringing manner. Alliance encourages infringement with a specific intent to cause its business partners and customers to infringe. Alliance's acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

65. Alliance's direct infringement and inducement of infringement have irreparably harmed PayRange. On information and belief, PayRange has lost prospective customers and was forced to compete against its own technology, at least in part, due to Alliance's infringement. The continued infringement harms PayRange's reputation in the marketplace and discouraging other potential customers from purchasing PayRange's solutions. These reputational and business harms cannot be adequately remedied by monetary compensation.

66. Upon information and belief, Alliance will continue to infringe the '772 Patent unless enjoined.

67. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement.

68. This case is “exceptional” within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys’ fees.

COUNT IV - INFRINGEMENT OF THE ’608 PATENT

69. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

70. PayRange is the assignee and owner of all right, title, and interest in and to the ’608 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the ’608 Patent throughout the United States, and to import any product embodying the ’608 Patent into the United States.

71. On October 23, 2020, during prosecution of the application that issued as the ’608 Patent, the patent examiner issued a Notice of Allowance. In so doing, the patent examiner noted that “[t]he prior art of record neither anticipates nor renders obvious the claimed subject matter of the instant application as a whole either taken alone or in combination, in particular, prior art of record does not teach storing, in the memory of the payment module, a number of the electrical pluses that must be received by the control unit to initiate an operation of the offline payment operating machine; receiving a wireless request via the short-range wireless transceiver from a respective mobile device of the one or more mobile devices to initiate a cashless operation of the offline-payment operated machine; and in response to the wireless request: determining a first number of electrical pulses to output via the first interface module to the control unit of the offline payment-operated machine; causing the offline payment-operated machine to initiate the requested cashless operation by issuing the first number of electrical pulses to the control unit via the first interface module; and sending operation information corresponding to the initiated operation of

the offline payment-operated machine to the respective mobile device via the short-range wireless transceiver.” *See id.* at 2-3.

72. In reaching these conclusions, the patent examiner referenced as “closest prior art” U.S. Patent Publication No. US 2009/0171682 A1 by Dixon (“Dixon”) and U.S. Patent No. 8,600,899 B1 by Davis (“Davis”), which represent conventional approaches around the time of the effective filing date of the ’608 Patent. The examiner concluded that “[t]he arguments presented by the Applicant along with the combination of elements, such as, the claims recite at least the steps to cause an offline payment-operated machine to receive a wireless request from a mobile device and emulate a signal sequence that would be issued by a coin receiving switch in response to receiving a preset number of coins of a predetermined type. These steps enable alternative ways to use a payment-operated machine by practically applying analog signal emulation in a way that adds wireless communication capabilities to legacy systems, thus improving the technology of payment-operated machines. The claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks and recite significantly more than an abstract idea.” *See id.* at 3-4.

73. On December 16, 2021, the PTAB issued a decision denying institution of post-grant review of the ’608 Patent. PGR2021-00084, Paper 12. In that proceeding, the petitioner had argued, *inter alia*, that the ’608 Patent was anticipated by U.S. Patent No. 9,092,768 by Breitenbach (“Breitenbach”). In rejecting the petitioner’s argument, the PTAB explained, “Breitenbach does not explicitly describe ‘the particular structure included in the retrofit device to generate and output the ‘coin-in’ signals to the VMC to ‘fool’ the machine into detecting proper payment for a machine operation.” *Id.* at 26. The PTAB acknowledges that Breitenbach states that “[t]he retrofit device may, in some embodiments, ‘fool’ the machine by replicating a ‘coin-in’

signal indicative of the proper payment amount for the desired unit of product, causing the machine to dispense the unit of product.” *Id.* at 26-27 (quoting Breitenbach at 8:58-62). But the PTAB found this disclosure lacking and determined that, “Petitioner does not sufficiently explain why this necessarily means that ‘[i]n order to replicate the ‘coin-in’ signal, the retrofit device inherently stores and determines the number of electrical pulses.’” *Id.* (quoting PGR2021-00084, Paper 2 at 60). Storing and determining the number of electrical pulses within a payment module was an unconventional approach to allow electronic payment in an off-line machine.

74. On January 24, 2024, the PTAB issued a decision denying institution of post *inter partes* review of the ’608 Patent. IPR2023-01188, Paper 12. In that proceeding, the petitioner had argued, *inter alia*, that the ’608 Patent was rendered obvious by U.S. Publication No. 2010/0227671 A1 by Laaroussi (“Laaroussi”), U.S. Patent No. 4,374,557 by Sugimoto (“Sugimoto”), U.S. Patent No. 10,121,318 B2 by LeMay (“LeMay”), and U.S. Patent No. 6,840,860 (“Okuniewicz”). *Id.* at 10-14. In its decision denying institution, the PTAB determined that “Laaroussi does not disclose whether its data and instructions are the particular pulses required by limitation 1(c) (‘in response to insertion of a single coin’) or whether its data and instructions indicate the cumulative amount of received coins.” *Id.* at 15. The PTAB’s finding further confirms that “first interface module...” element of claim 1 represents an unconventional approach which was neither routine nor well-understood.

75. A significant advantage of the ’608 Patent is the ability to emulate an analog signal generated by the coin receiving switch of the offline payment-operated machine. Another advantage was receiving a wireless request via the short-range wireless transceiver from a mobile device. A further advantage is causing an offline payment-operated machine to initiate the

requested cashless operation by issuing the first number of electrical pulses. These advantages were not routine, well-understood or conventional, especially when considered in combination.

76. Upon information and belief, Alliance has and is infringing at least claim 1, 2, 5, 6-8, 11-13, and 17-19 of the '608 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale laundry machines, covered by one or more claims of the '608 Patent to the injury of PayRange. Alliance is directly infringing, literally infringing, and/or infringing the '608 Patent under the doctrine of equivalents. Alliance is thus liable for infringement of the '608 Patent pursuant to 35 U.S.C. § 271(a).

77. Alliance has known of the existence of the '608 Patent since at least the date of PayRange's Original Complaint in this action, and Alliance's acts of infringement have been willful and in disregard for the '920 Patent, without any reasonable basis for believing that it had a right to engage in the infringing conduct.

78. Exhibit M, which is incorporated herein, is a chart providing an element-by-element comparison between Alliance and claim 1 of the '608 Patent.

79. To the extent Alliance's payment systems, without more, do not directly infringe at least the above-identified claims of the '608 Patent, Alliance actively encourages their business partners, end-users and/or customers to use Alliance's payment devices in an infringing manner. Alliance encourages infringement with a specific intent to cause its business partners and customers to infringe. Alliance's acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

80. In addition, Alliance contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as the infringing products offered for sale and sold by Alliance are each a

component of a patented machine or an apparatus used in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in infringement of the '608 Patent.

81. Alliance's direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange.

82. Upon information and belief, Alliance will continue to infringe the '608 Patent unless enjoined.

83. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement. PayRange has complied with its patent marking obligations including by virtually marking its patents through the following URL: <https://payrange.com/patents/>

84. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

REQUEST FOR RELIEF

WHEREFORE, PayRange requests that the Court find in its favor and against Alliance, and that the Court grant PayRange the following relief:

- a. Judgment that Alliance infringes the patents-in-suit;
- b. Judgment that Alliance is jointly and severally liable for infringement of the patents-in-suit.
- c. That PayRange be granted with injunctive relief against Alliance and its officers, employees, agents, servants, attorneys, instrumentalities, and/or those in privity with them, to prevent the recurrence of the infringing activities complained of herein, including an injunction against further installations of infringing payment modules and removing all infringing mobile apps from all third party app stores such as the Google

Play Store and Apple App Store, and for all further proper injunctive relief pursuant to 35 U.S.C. § 283;

- d. Judgment that Alliance account for and pay to PayRange all damages and costs incurred by PayRange, caused by Alliance's infringing activities complained of herein;
- e. Judgment that Alliance willfully infringed and increase the damages award to PayRange up to three times the amount assessed, pursuant to 35 U.S.C. § 284;
- f. That PayRange be granted pre-judgment and post-judgment interest on the damages;
- g. That this Court declare this an exceptional case and award PayRange reasonable attorneys' fees and costs in accordance with 35 U.S.C. § 285; and
- h. That PayRange be granted such other and further relief as the Court may deem just and proper under the circumstances.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff demands a trial by jury of this action.

Respectfully submitted,

POTTER ANDERSON & CORROON LLP

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